Louisiana Tourism Forecast 2013-2016

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Louisiana Department of Culture, Recreation and Tourism

By

THE UNIVERSITY of NEW ORLEANS
HOSPITALITY RESEARCH CENTER
Defining Tourism Opportunities

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Executive Summary

- The forecast has been revised in this cycle to show more of a recovery from the impact of the national recession and the BP oil spill.

- In 2012, the number of visitors to the state of ***Louisiana*** exceeded the highest visitor count during the time of the study. During that year, 26.3 million people visited the state, exceeding the 26.2 million visitors who came to the state in 2003.

- Visitor spending statewide reached $10.7 billion during 2012, the highest spending since 2003.

- In 2016, the number of visitors to Louisiana is projected to reach 28.0 million. By the same year, spending is estimated to be $11.7 billion.

- In 2012, total visitation to the ***New Orleans*** area was 9.0 million. In the same year total visitor spending in the area represented the highest figure since 2003, at $6.2 billion. By 2016, visitation to New Orleans is expected to reach 9.8 million visitors; an increase of approximately 760,000 people from current visitation estimates. Visitor spending in 2016 is projected to reach $6.9 billion.

- Areas in the ***Rest of Louisiana*** include Alexandria, Baton Rouge, Lafayette, Lake Charles, Monroe, Shreveport and Rural Areas of the southern and northern parts of the state.

- In 2012, the total number of visitors to areas in the Rest of Louisiana was 17.3 million, the highest figure since 2004. In the same year, visitor spending reached $4.5 billion. By 2016, areas in the Rest of the State are expected to attract 18.3 million visitors along with $4.9 billion in visitor spending

- Other indicators of tourism activity in the Rest of Louisiana have remained relatively stable during 2012. Casino attendance and visitation to state parks and welcome centers are still lagging other indicators. Tourism activity in New Orleans continues to improve. Hotel and airport activity has shown the highest growth; while casino, state parks and welcome center visitation still lags in recovery.

Methodology

The following are the different sets of analysis done by the UNO Hospitality Research Center (HRC):

- Determine current and future estimates of the total number of visitors and their spending.
- Forecast the number of hotel rooms sold, including those for conventions, and airport passengers for all regions in Louisiana.
- Determine current and future estimates of the taxes paid by visitors to the state of Louisiana.

The first step to obtain the above estimates is to explore relationships in current tourism data available in the Louisiana region. The data include:

- Airport passenger and capacity statistics
- Casino revenue and attendance
- Convention booking patterns
- Employment data
- External reports supported by the Louisiana Office of Tourism
- Hotel activity including occupancy rate, room rate, room inventory and taxes
- Hotel and visitor survey data files
- Louisiana Welcome Centers, State Historic Sites and State Parks visitation statistics
- Past relationships between historical visitor measurements and spending
- Past Visitor Profile reports which include numbers of visitors and their spending.

Visitation

The HRC developed a model that projects the trends in the number of visitors using the indicators and factors mentioned above. Before Hurricanes Katrina and Rita, the tourism market in the New Orleans area had roughly the same volume as the areas in the Rest of Louisiana. Because of the severity of the damage on tourism activity in New Orleans after the Hurricanes, the analysis has been reviewed separately throughout this report. The HRC model provides estimates divided into New Orleans and the Rest of the State. These figures are added together to determine the total visitation to the state of Louisiana.

The model provides information for visitation by segment for a forecast period through 2016. Surveys of hoteliers and visitors developed by the HRC, as well as TNS survey data, are used to determine ongoing shifts in the types of visitors. The four visitor categories defined in this study are visitors who stay in hotels, visitors who stayed with friends and relatives (VFR's), visitors who stayed in other accommodations, and visitors who only came for the day (daytrippers). The HRC convention bookings model provides insight into the future of hotel visitors, as well as convention bookings and their impact. An attempt was made to quantify shifts in perceptions about the BP oil spill using Market Dynamics Research Group (MDRG) studies supported by the Louisiana Office of Tourism.

This forecast is based on the assumption that upward trends in tourism for New Orleans will continue, while the Rest of the State will remain at the higher levels reached after the storms. Another assumption included is that some displacement of population and tourism activity will remain in the Rest of the State. Further, it is assumed that visitor mix and lengths of stay will gradually move in the direction of pre-Katrina/Rita norms.

The estimates of visitors for 2003 through 2005 were done by TIA (U.S. Travel Association) using a different methodology. Though visitation is not from the same source or methods, the two series were concatenated to provide comparison with past estimates. Since TIA only measured domestic visitation, an effort was made to estimate foreign visitation and to correct the series. The main tables containing visitors, expenditures, tourism indicators and taxes include domestic and foreign visitation.

Spending

Spending for New Orleans is estimated using visitor surveys data files along with historical measurements. HRC visitor survey data is used to provide spending data for New Orleans. TNS survey data is used to provide an insight into visitor spending in regions in the Rest of the State. While TNS includes domestic visitation only, the HRC makes an effort to correct for foreign visitation. The number of observations from the TNS data panel does not allow for analysis of individual markets in areas outside New Orleans, so they are analyzed as a whole. For smaller markets, other important tourism indicators are utilized.

Although visitors to Louisiana have stayed longer and spent more money than in the years prior to Katrina/Rita, spending increases can be partially attributed to higher costs. Wages and the costs of doing business, particularly insurance, have increased substantially in the area. It is important to note that all spending figures presented throughout the report are not adjusted for inflation.

Spending numbers at the state level before 2007 are from a different source, TIA (U.S. Travel Association), in combination with TSA (Tourism Satellite Account). The main difference in the TSA methodology is that investment and government spending are included. A major difference in the TIA methodology is that it includes spending numbers for transportation purchased outside Louisiana such as airfare, as well as costs associated with owning a vehicle. TNS, which is the HRC main data source for spending numbers for areas outside New Orleans, includes only money spent inside Louisiana. This means that pre-storms dollar values for the state are higher, including calculations for jobs created and taxes. TIA also does not measure spending by foreign travelers to Louisiana. An attempt was made to correct for spending and visits by foreign travelers between 2003 and 2006.

Travel Indicators

The indicators presented in appendix B are combined into groups by region to reflect recovery in the tourism industry. All indicators are compared to the period from August 2003 through July 2005. This period was used to define “normal” or “100%” activity before Hurricanes Katrina and Rita.

An effort has been made to remove hotel rooms sold to local evacuees during major hurricanes in the region.

When considering measures of facilities visitation such as welcome centers and state parks, all centers were included in spite of their accessibility during the analysis time window. New facilities and those closed briefly after the storms were analyzed since their return to use is a measure of recovery.

New Information and External Factors

Data and methodology have been improved substantially since the beginning of the project; however, they are continually studied and updated. The HRC estimates and forecasts continue to be refined as new information is released (e.g., new hotel openings, flights, perceptions, etc.). The forecast also changes based on new, exogenous factors including perceptions and changes in legislation. Since additional data relating to travel becomes available subsequent to the study, the HRC reserves the right to revise its estimates in the future.

The Tourism Satellite Account (TSA) prepared by the LSU Division of Economic Development plays an important role in reviewing the HRC forecasts. Tourism indicators, especially primary and secondary employment, and tax figures generated by tourism spending, are assessed for consistency with the TSA report.

Introduction

During the fall of 2005, Hurricanes Katrina and Rita left their mark on the state of Louisiana, not only changing millions of lives, but also destroying property and redefining major industries. Among those affected by the devastation was the state's tourism industry, a major contributor to the Louisiana economy. In 2004, the Louisiana tourism industry was responsible for $10 billion in visitor spending and the direct employment of 165,000 Louisiana residents. In the aftermath of the Hurricanes, Louisiana's tourism resources were reallocated to address the needs of its residents, as well as government and contract workers. Some Louisiana casinos were damaged to the point of closure. Many restaurants and hotels in the New Orleans area were closed or operating on a reduced schedule due to an inability to find workers.

The net effect of the Hurricanes aftermath was a 34% decline in visitor spending from 2004 to 2006. While a less dramatic impact on visitation was imposed by Gustav and Ike in the fall of 2008, the national recession affected Louisiana's tourism industry in 2009, resulting in both spending and visitation losses. In addition to these adverse events, the BP Horizon oil spill had a significant impact on the state's tourism in 2010. As tourism is such a vital part of Louisiana's economy and culture, this forecast was undertaken to reveal insights into industry trends, particularly on when tourism visitation and spending are expected to return to levels seen before the storms.

Forecast Results

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The forecast has been revised in this cycle to show more of a recovery from the impact of the national recession and the BP oil spill. National travel researchers suggested that the U.S. recession would have a negative effect on travel for a 2-year window, with a turnaround starting in late 2009. Although travel has significantly recovered throughout the state for the last three years, the industry has not reached comparable levels on several tourism indicators as seen in years prior to the recession.

Researchers anticipated the effects from the BP oil spill impact to last until the first quarter of 2013, three years from the time the spill. Although negative perceptions continued to affect tourism in the two years following the spill, they are not expected to last as originally anticipated. Regional perceptions have been rapidly improving and travel is expected to recover at a faster pace. Nationwide negative perceptions have taken longer to improve, yet national travel is anticipated to recover sooner than preliminary estimates. The fraction of the $30 million dollar BP tourism promotion funds spent so far throughout the state is not likely to change perceptions quickly; however, these dollars could have a significant impact on bringing more visitors to Louisiana.

Table 1 shows estimates on the number of visitors and spending from 2003 to 2012. In addition, it presents a four-year window forecast for the same indicators between 2013 and 2016.

In 2012, the number of visitors statewide reached the highest count since the beginning of the study. During 2012, 26.3 million people visited the state, exceeding the 26.2 million visitors who came to the state in 2003. The number of visitors is projected to grow and reach 28.0 million by 2016. Visitor spending statewide reached $10.7 billion during 2012, the highest spending since 2003.

Table 1: Louisiana Visitors and Spending (Domestic and Foreign)*

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	*2013*	*2014*	*2015*	*2016*
Visitors (Millions)[1]	26.2	24.8	19.6	18.2	23.8	24.4	24.0	25.1	25.5	26.3	*26.8*	*27.2*	*27.6*	*28.0*
Total Spending (Billions)[2]	$9.4	$10.0	$8.2	$6.6	$9.0	$9.5	$8.8	$9.5	$10.0	$10.7	*$11.1*	*$11.3*	*$11.6*	*$11.7*

**Includes the negative effect of BP oil spill and excludes the payment by BP for additional advertising*
[1] Source: 2003-5 TIA data in combination with the Louisiana Department of Culture, Recreation and Tourism (CRT)
[2] Source: 2003-6 TIA and TSA data
Louisiana totals may not add due to rounding

Table 2: Louisiana Tourism Indicators

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	*2013*	*2014*	*2015*	*2016*
Tourism Employment (Thousands)[3]	--	165	122	108	143	145	131	143	145	153	*155*	*156*	*158*	*159*
Airport Passengers (Millions)	5.7	6.0	5.2	4.5	5.1	5.2	5.0	5.3	5.6	5.6	*5.7*	*5.7*	*5.9*	*6.0*
Hotel Rooms Sold (Millions)[4]	16.9	17.8	18.9	17.3	16.9	18.2	16.9	18.7	18.7	20.0	*20.2*	*20.2*	*20.5*	*20.6*
Convention Rooms Sold (Millions)	2.7	2.6	2.1	1.2	1.9	2.0	2.1	2.1	2.2	2.3	*2.6*	*2.3*	*2.4*	*2.3*

[3]Direct employment includes construction work on infrastructure
[4] In 2005, 2006 and 2008, many hotel rooms were not attributable to visitors
Louisiana totals may not add due to rounding
Source: See Appendix B

Table 2 summarizes key tourism indicators including tourism employment, airport passenger figures, and hotel and convention rooms sold. These indicators are relevant to understand the recovery of the industry as a whole.

Tourism Employment matches the TSA definition of tourism jobs, which includes those for infrastructure spending (i.e. the building and repair of highways and hotels). Immediately following Katrina/Rita, there was a surge in hotel construction in the northern part of the state along with many repairs to bridges and other travel infrastructure projects in the south. This type of activity has decreased in the years following the Hurricanes as projects are completed. The estimates for tourism employment are not expected to reach 2004 figures as the tourism industry cross-trains employees, requiring fewer personnel to serve the industry. Thus, the total of all travel-related jobs is expected to recover at a slower pace than spending indicators.

Airport Passenger estimates throughout the state, as measured by enplanements, were drastically affected by Katrina/Rita followed by the national recession. In 2012, the number of passengers remained virtually the same compared to last year. Airport indicators are not expected to reach 2004 figures until late 2016.

The *Hotel and Convention Rooms Sold,* as measure by roomnights demand, have significantly recovered compared to other indicators. During 2012, the number of hotel rooms sold reached its highest point since 2003 at 20.0 million. Convention roomnights have recovered at a slower pace, but are expected to reach 2004 estimates by 2013. The difference between these two indicators shows how the state is attracting other type of hotel visitors including leisure, business, and long-term visitors.

Table 3: Louisiana State Taxes

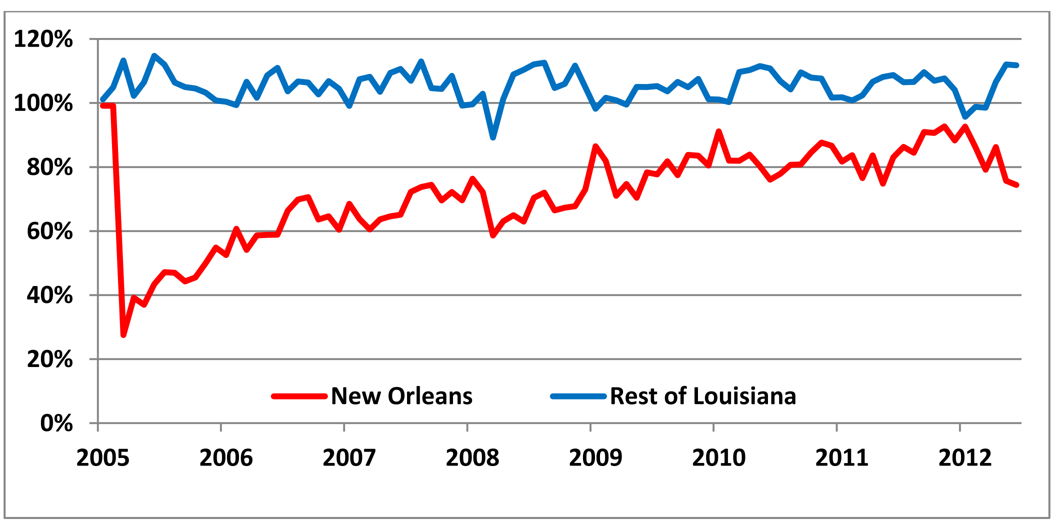
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Hotel Sales Taxes (Millions)[5]	**$76**	**$61**	**$58**	**$66**	**$73**	**$66**	**$75**	**$77**	**$88**	*$89*	*$90*	*$91*	*$93*
Non-hotel State Tax Revenue (Millions)[6]	**$541**	**$511**	**$495**	**$610**	**$633**	**$590**	**$607**	**$636**	**$665**	*$690*	*$708*	*$724*	*$736*
Louisiana Superdome and Exposition Tax (Millions)[7]	**$35**	**$28**	**$25**	**$27**	**$30**	**$28**	**$31**	**$34**	**$40**	*$41*	*$41*	*$42*	*$42*

[5] 4% state sales tax. Residents staying in hotels during hurricane periods were removed
[6] State taxes only
[7] Source: 2004-12 Louisiana Dept. of Revenue, Orleans and Jefferson parishes only. In 2006, only $19.8 million are attributed to visitors. In 2008, only $27.2 million are attributed to visitors
Louisiana totals may not add due to rounding

Table 3 shows state taxes paid by visitors throughout the state. In 2009, the effects of the national recession are evident. Since 2010 tax collection from visitors recovered and by 2012 it outgrew figures seen in years before the recession.

Figure 1, shows travel indicators for New Orleans and the Rest of the State compared to the same month before Katrina/Rita. The time period used for the analysis is August 2003 through July 2005. Travel indicators include figures of casinos, airports, employment, hotels, state parks, and welcome centers summarized by area. As seen in July 2005, before the Hurricanes, the tourism market in the New Orleans area had roughly the same volume as the areas in the Rest of Louisiana. Because of the severity of the Hurricanes on New Orleans tourism, the indicators for areas in the Rest of the State have remained at higher levels.

Figure 1: Travel Indicators Recovery
(Percent Compared to Pre-Katrina/Rita Figures)



Source: See Appendix B

Table 4: Travel Indicators Recovery by Segments
(Percent Compared to Pre-Katrina/Rita Figures)

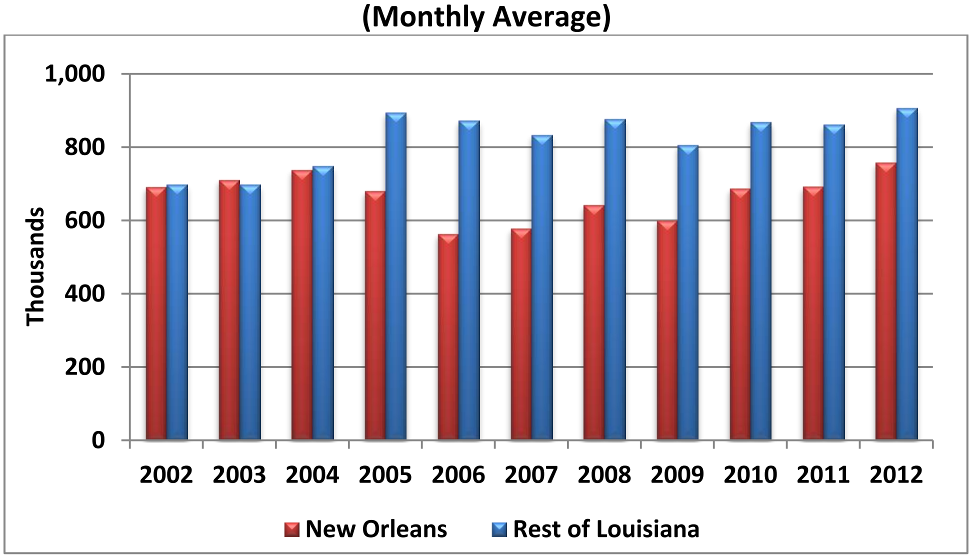
2012	*New Orleans*	*Rest of Louisiana*
Travel Infrastructure	87%	132%
Travel Activity	95%	114%
Leisure Activity	79%	86%
Casino Attendance	72%	90%
Convention Rooms Sold	90%	117%*

**Estimate*
Source: See Appendix B

Table 4 presents the percent recovery of travel indicators shown in Figure 1 categorized by segments for 2012. The base for each indicator is the average for the current year compared to the two years prior Katrina and Rita. *Travel Infrastructure* is defined by the capacity available at airports, hotels, and labor force, while *Travel Activity* is defined by the number of airport passengers and hotel rooms sold. *Leisure Activity* is defined by the number of visitors at state parks and welcome centers. During 2012, the sectors lagging in recovery were casinos in New Orleans and leisure activity in the Rest of Louisiana.

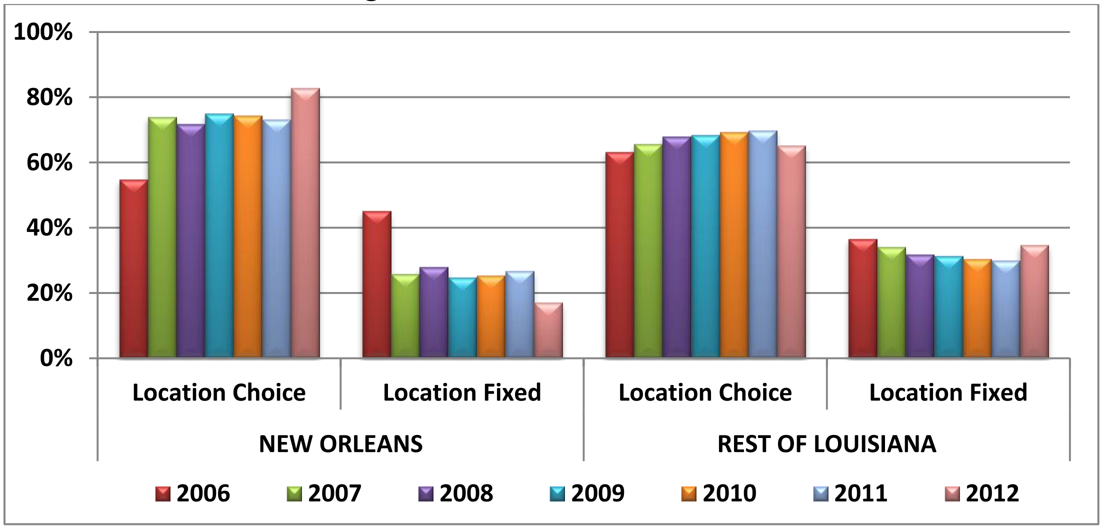
Figure 2, below, shows the proportion of hotel rooms sold in the New Orleans area relative to markets in the Rest of the State. Until 2004, the volume of rooms sold in the Rest of the State had traditionally matched that of New Orleans. However, even after the high-volume of room sales after the Hurricanes decreased, most of the Rest of the State sales remained higher than in previous years. In particular, Baton Rouge, Lafayette, Lake Charles and rural areas in north Louisiana have added a great deal of hotel capacity and sales. During 2008 and 2012, there was a smaller hurricane season increase/drop in rooms sold due to Gustav/Ike in 2008 and Isaac in 2012. The recession effects are visible in 2009, while the impact of BP on business visitation can be seen throughout 2010.

Figure 2: Hotel Rooms Sold
(Monthly Average)



Source: Smith Travel Research

Figure 3: Louisiana Traveler Mix



Excludes visiting friends & relatives
Source: TNS survey data files

In Figure 3 travelers of Louisiana were split into two groups – those whose destination was "discretionary" and those whose destination was "required". *Location choice* includes leisure travelers and convention visitors. Convention visitors belong to this category as planners, with input from organization members, choose the place for the convention. *Location fixed* includes travelers for personal business and regular business since their destination is not optional. People whose primary purpose was to visit friends or relatives were excluded since the group is so prevalent in Louisiana and it obscures the trends of other groups. During 2012, more visitors (83%) chose to visit New Orleans compared to last year. In the same year, visitors to the Rest of Louisiana were more likely (35%) to have a fixed destination. Trends over the last three years suggest an optimistic outlook that the Louisiana tourism "brand" is improving.

Table 5 presents an estimation of visitors, spending and taxes paid by domestic visitors only. The table excludes activity brought by international visitors.

Table 5: Louisiana Visitors and Spending (Domestic Only)*

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Visitors (Millions)	25.3	24.1	18.7	17.8	23.2	23.8	23.3	24.4	24.6	25.4	*25.9*	*26.2*	*26.6*	*27.0*
Total Spending (Billions$)	$9.1	$9.5	$7.9	$6.4	$8.7	$9.2	$8.5	$9.2	$9.5	$10.1	*$10.5*	*$10.7*	*$11.0*	*$11.1*
Taxes Generated to State by Domestic Visitation (Millions$)[1]	--	$623	$585	$565	$679	$711	$656	$685	$720	$762	*$790*	*$808*	*$824*	*$837*

**Includes the negative effect of BP oil spill and excludes the payment by BP for additional advertising*
[1] State taxes only
Source: See Appendix B

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Tourism recovery in the New Orleans area is critical to the overall recovery of the tourism industry in the state of Louisiana. Because of the size of the market and the amount of damage to the industry after Katrina, movement in the New Orleans region dominates the history and forecast, both in terms of damage and recovery.

While in 2012 the total number of visitors statewide reached the highest number since 2003, it does not indicate that the travel industry has fully recovered. Visitation to New Orleans will still be lagging and is not expected to reach pre-Katrina figures until after the end of the forecast window. Travel to the areas in the remainder of the state, whether due to displacement from New Orleans or to independent growth, had compensated for the decline in the number of visitors to New Orleans after the Hurricane.

New Orleans visitation showed an upward trend until half year 2008 when there was a dip. 2008 had an especially strong spring and a better than expected summer. However, the autumn was marred by hurricanes Gustav and Ike, lower than average convention bookings, and the influence of the national economic crisis. By 2009, the number of visitors to New Orleans decreased 1%. In 2010 the number of visitors to New Orleans increased and kept the momentum for the following years. In 2012, total visitation to the city was 9.0 million and represented an increase of 3%. By 2016, visitation to New Orleans is expected to reach 9.8 million visitors; an increase of approximately 760,000 people from current visitation estimates.

New Orleans visitors spend more per person than visitors to the Rest of the State. Though the number of visitors to New Orleans may be fewer than those to the Rest of the State, their economic impact is higher. During the recession, the number of visitors to New Orleans stayed almost the same but their expenditures dropped as people spent less on discretionary items. In 2010, the city started to recover and by 2012 total spending in New Orleans reached its highest figure since 2003, at $6.2 billion. New Orleans is expected to reach $6.9 billion in visitor spending by the end of the forecast window (Table 6).

Table 6: New Orleans Visitors and Spending (Domestic and Foreign)*

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Visitors (Millions)	**8.5**	**10.1**	**6.7**[a]	**3.7**	**7.1**	**7.6**	**7.5**	**8.3**	**8.8**	**9.0**	*9.3*	*9.4*	*9.6*	*9.8*
Total Spending (Billions)	**$4.8**	**$5.1**	**$4.3**[a]	**$3.1**	**$4.9**	**$5.3**	**$4.6**	**$5.5**	**$5.7**	**$6.2**	*$6.4*	*$6.6*	*$6.8*	*$6.9*

**All tables include the negative effect of BP oil spill and do not include the payment by BP for additional advertising*
[a] Data for 2005 collected only through August

Table 7: New Orleans Tourism Indicators

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Tourism Employment (Thousands)[1]	--	**81**	**69**	**44**	**74**	**81**	**69**	**82**	**82**	**89**	*90*	*90*	*93*	*93*
Airport Passengers (Millions)	**4.6**	**4.9**	**3.9**	**3.1**	**3.8**	**4.0**	**3.9**	**4.1**	**4.3**	**4.3**	*4.4*	*4.4*	*4.5*	*4.6*
Hotel Rooms Sold (Millions)[2]	**8.5**	**8.9**	**8.2**	**6.8**	**6.9**	**7.7**	**7.2**	**8.3**	**8.3**	**9.1**	*9.3*	*9.3*	*9.5*	*9.6*

[1] Direct employment includes construction work on infrastructure
[2] In 2005, 2006 and 2008, many hotel rooms were not attributable to visitors
Source: See Appendix B

Table 7 summarizes key tourism indicators including tourism employment, airport passenger figures, and number of hotel rooms sold throughout the New Orleans area. Similarly to the state analysis, *Tourism Employment* matches the TSA definition of tourism jobs, and includes jobs related to infrastructure spending. As Katrina recovery employment decreases and more employees are cross-trained, the total number of travel-related jobs is not expected to recover at the same pace as spending indicators.

The number *Airport Passengers,* as measured by enplanements, have significantly recovered from unexpected events such as Katrina and the national recession. Although in 2012 the number of passengers remained virtually the same when compared to last year, it is expected to reach 2003 figures in late 2016. The number of *Hotel Rooms Sold* (measure by roomnights demand) has significantly recovered. During 2012, the number of hotel roomnights sold represented the highest estimate since 2003.

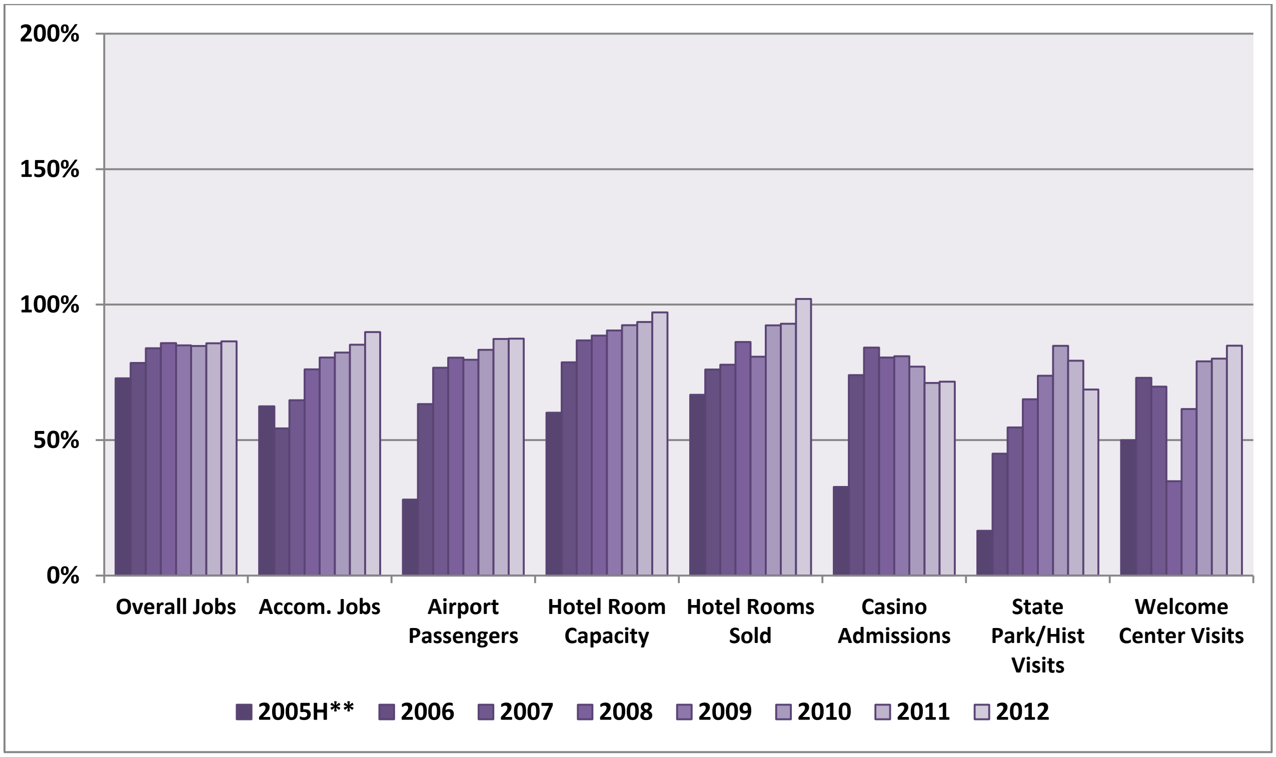
Table 8 represents the total state taxes paid by visitors to the New Orleans area.

Table 8: Louisiana State Taxes (paid by New Orleans Visitors)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Hotel Sales Taxes (Millions)[3]	**$48**	**$41**	**$29**	**$36**	**$40**	**$36**	**$43**	**$45**	**$54**	*$54*	*$55*	*$56*	*$56*
Non-hotel State Tax Revenue (Millions)[4]	**$243**	**$222**	**$153**	**$259**	**$275**	**$240**	**$273**	**$282**	**$299**	*$313*	*$321*	*$330*	*$337*
Louisiana Superdome and Exposition Tax (Millions)[5]	**$35**	**$28**	**$25**	**$27**	**$30**	**$28**	**$31**	**$34**	**$40**	*$41*	*$41*	*$42*	*$42*

[3] 4% state sales tax. Residents staying in hotels during hurricane periods were removed
[4] State taxes only
[5] Source: 2004-12 Louisiana Dept. of Revenue, Orleans and Jefferson parishes only. In 2006, only $19.8 million are attributed to visitors. In 2008, only $27.2 million are attributed to visitors

Figure 4: New Orleans Travel Indicators Recovery (Percent Compared to Pre-Katrina Figures)*



**Not all state parks and welcome centers have remained open during the time of the study. New facilities have been open since Hurricane Katrina*
***Includes data for 2005 second half only*
Source: See Appendix B

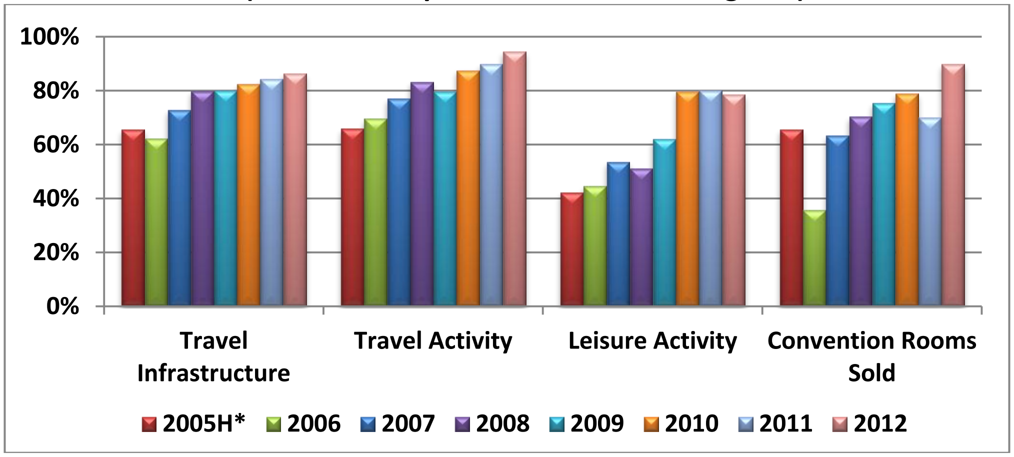
Figure 4 shows relevant indicators of tourism activity in comparison to activity levels prior Hurricane Katrina.

While overall jobs have remained virtually unchanged for the last 6 years, employment in accommodation industries has showed significant recovery. During 2012, overall employment reached 86% of pre-Katrina estimates, while accommodation jobs reached 90%, the highest since the storm.

Airport passengers, hotel room capacity and hotel rooms sold have followed the overall tourism recovery. During 2012 hotel activity had significantly recovered. The number of hotel rooms available for visitors (hotel room capacity) reached 97% of pre-Katrina estimates. During the same year, the number of hotel rooms sold (roomnights demand) grew to 102%.

Casinos, state parks and welcome centers visitation has not recovered at the same pace as other tourism indicators. Casino activity has been decreasing. Although overall spending has recovered, gambling expenditures remain lower than years prior to the recession. State parks and welcome centers visitation has fluctuated over the years. In 2012, state parks visits reached 69%, while welcome center visits increased to 85% of figures prior to Katrina.

Figure 5: New Orleans Travel Indicators Recovery by Segments (Percent Compared to Pre-Katrina Figures)

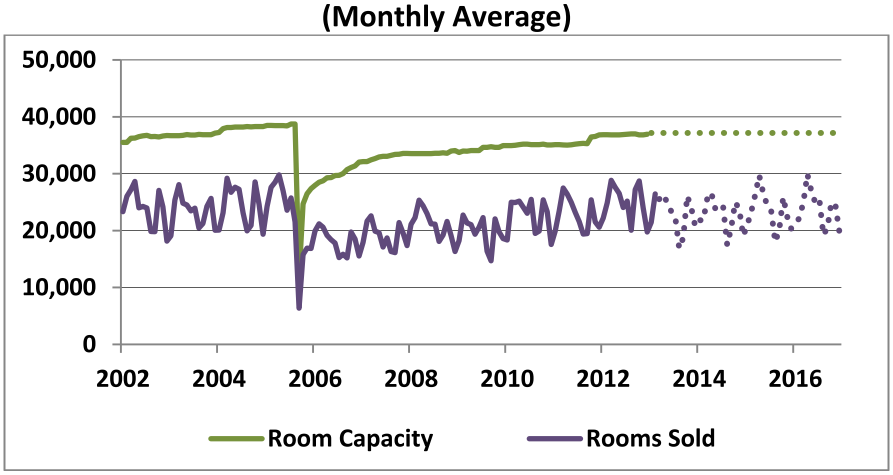


**Includes data for 2005 second half only*
Source: See Appendix B

In Figure 5, several tourism indicators, including those presented in Figure 4, have been grouped together to show overall trends. *Travel infrastructure*, as measured by hotel and airport capacity, and accommodation employment showed an upward trend since the storm. In 2012, *Travel Activity* measured by the actual demand for hotel rooms and airport enplanements reached 95% of pre-Katrina levels; the highest point since the Hurricane. *Leisure Activity*, including visitation at state parks and welcome centers, has been recovering after decreasing during the recession. Another important segment in the New Orleans tourism mix is that of *Convention Rooms Sold*. This series is volatile but it shows a general upward trend. In 2012, it reached 90% of figures recorded before the storm.

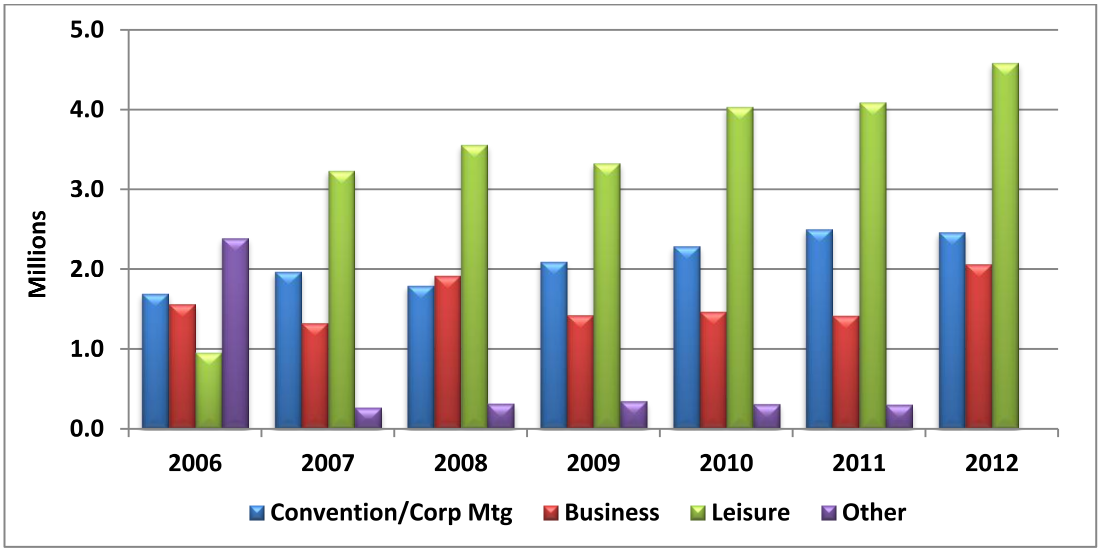
Figure 6 shows the changes in hotel room capacity and hotel rooms sold (measured by hotel roomnights demand). The graph provides a forecast for both indicators through 2016. While rooms sold have significantly improved, they are expected to have a flat recovery.

Figure 6: New Orleans Hotel Activity (Monthly Average)



Sources: Smith Travel Research, UNO Hospitality Research Center

Figure 7: New Orleans Hotel Rooms Sold by Purpose

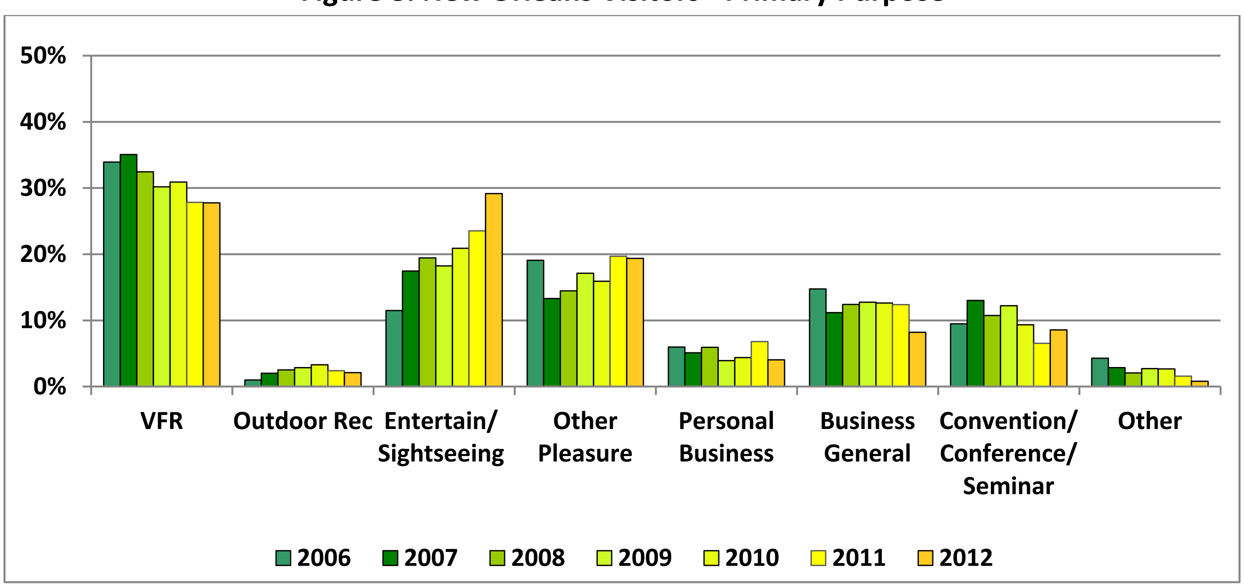


Source: Smith Travel Research, and Hotel Association of New Orleans surveyed by UNO Hospitality Research Center

Results from a survey of hoteliers (Figure 7) revealed that in the New Orleans area, the number of hotel rooms sold (measure by roomnights) to leisure visitors went from 1.0 million in 2006 to 4.6 million in 2012. From the same hotelier survey, it was found that long term hurricane-related guests, including residents, who are in the "other" category, took 62% of the hotel rooms sold in January 2006. This group had virtually disappeared by the end of 2007. The lower numbers of hotel rooms sold in 2009 is attributed to the national recession.

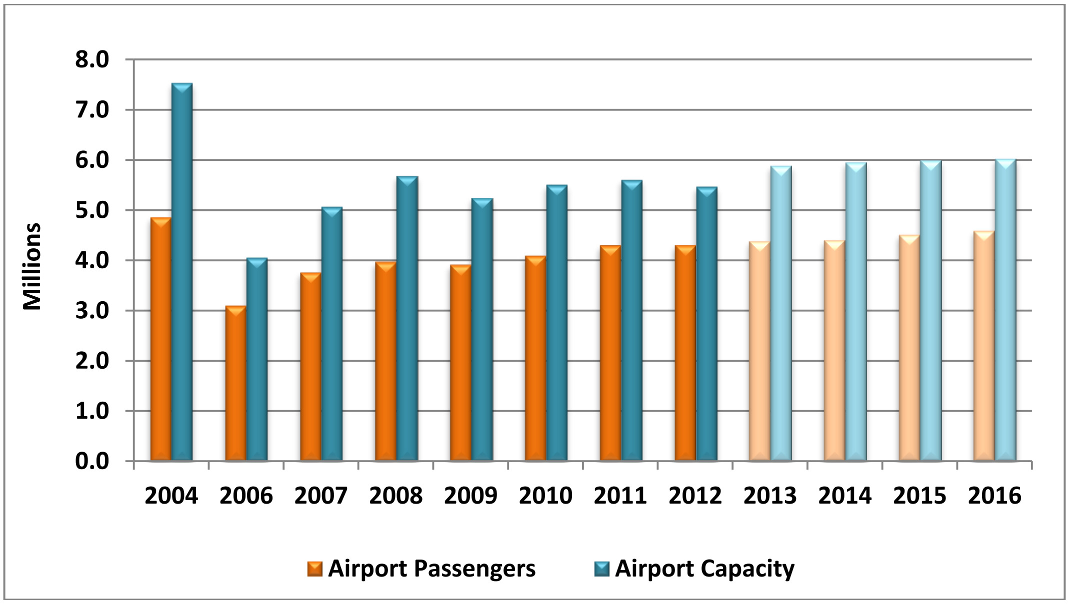
Figure 8 reflects the changes in the primary purpose of visitors coming to New Orleans. Although TNS data provides a relatively small number of observations, these observations provide some indication of trends in why visitors are travelling to the area.

Figure 8: New Orleans Visitors - Primary Purpose



Source: TNS survey data files

Figure 9: New Orleans Airport Activity
(Annually)



Source: CRT, Louis Armstrong Airport, Official Airline Guide USA Today, and UNO Hospitality Research Center

In 2012, the number of passengers leaving New Orleans Armstrong airport, measured by enplanements, reached its peak at about 4.3 million or 91% of pre-Katrina figures (Figure 9). By 2016, enplanements are expected to reach nearly 4.6 million passengers.

In 2008, airport capacity, measured by the number of seats available, reached its peak at 5.7 million or 75% of pre-Katrina levels. However, the recession forced airlines to make changes nationwide, keeping empty seats at a minimum. In 2009 New Orleans seat capacity reached its lowest point since Katrina. By 2012, the number of seats available reached about 5.5 million or 73% of pre-Katrina values.

In 2012, 75% of the seats were being filled by 91% of the passengers. In other words, airplanes are flying at fuller capacity than they were pre-Katrina. This increase in the load factor in New Orleans is also part of a national trend in the airline industry.

REST OF THE STATE

Areas in the Rest of Louisiana include Alexandria, Baton Rouge, Lafayette, Lake Charles, Monroe, Shreveport and Rural Areas of the southern and northern parts of the state.

Visitation to the Rest of Louisiana showed an upward trend through 2008, followed by a drop in 2009 due to the recession (Table 9). During 2010 and 2011, the BP oil spill brought non-traditional visitors to the area including workers, contractors, and media. The number of visitors in 2011 totaled 16.8 million, approximately the same number of visitors as in 2010. By 2012, the total number of visitors was 17.3 million, the highest figure since 2004. In 2012, visitor spending reached $4.5 billion. Although the number of visitors has substantially recovered, visitor spending is not expected to recover to 2004 figures until the end of the forecast window.

Table 9: Rest of the State Visitors and Spending (Domestic and Foreign)*

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Visitors (Millions)[1]	**17.7**	**14.7**	**12.9**	**14.5**	**16.7**	**16.8**	**16.4**	**16.8**	**16.8**	**17.3**	*17.6*	*17.8*	*18.0*	*18.3*
Total Spending (Billions)[2]	**$4.6**	**$4.9**	**$3.9**	**$3.5**	**$4.1**	**$4.2**	**$4.1**	**$4.1**	**$4.3**	**$4.5**	*$4.6*	*$4.7*	*$4.8*	*$4.9*

**All tables include the negative effect of BP oil spill and do not include the payment by BP for additional advertising*
[1] 2003-5 TIA and UNO Hospitality Research Center data in combination with CRT
[2] 2003-6 TIA, UNO Hospitality Research Center and TSA data

Other tourism indicators including tourism employment, airport passengers and hotel rooms sold have recovered since the recession. In 2012, the number of hotel rooms sold measured by roomnights demand, reached 10.9 million, the highest since 2003 (Table 10).

Table 10: Rest of the State Tourism Indicators

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Tourism Employment (Thousands)[3]	**--**	**84**	**53**	**64**	**69**	**64**	**62**	**61**	**63**	**64**	*65*	*65*	*66*	*66*
Airport Passengers (Millions)	**1.1**	**1.2**	**1.3**	**1.4**	**1.4**	**1.2**	**1.1**	**1.2**	**1.3**	**1.3**	*1.3*	*1.3*	*1.4*	*1.4*
Hotel Rooms Sold (Millions)[4]	**8.4**	**9.0**	**10.7**	**10.5**	**10.0**	**10.5**	**9.7**	**10.4**	**10.3**	**10.9**	*10.9*	*10.9*	*11.0*	*11.0*

[3] Direct employment includes construction work on infrastructure
[4] In 2005, 2006 and 2008, many hotel rooms were not attributable to visitors
Source: See Appendix B

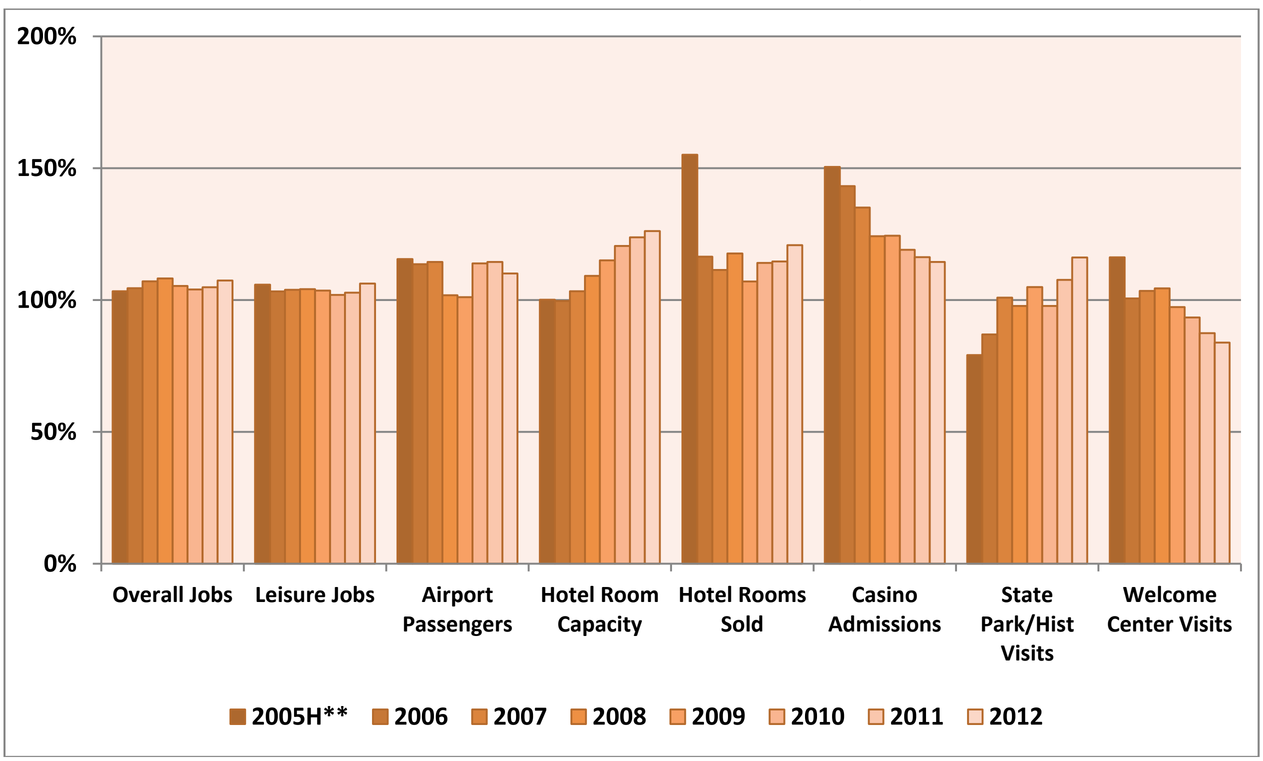
Table 11: Louisiana State Taxes (paid by Rest of the State Visitors)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Hotel Sales Taxes(Millions)[5]	$28	$20	$29	$30	$33	$30	$32	$32	$34	*$35*	*$36*	*$36*	*$36*
Non-hotel State Tax Revenue (Millions)[6]	$298	$290	$342	$351	$358	$350	$335	$354	$366	*$377*	*$387*	*$393*	*$399*

[5] 4% state sales tax. Residents staying in hotels during hurricane periods were removed
[6] State taxes only

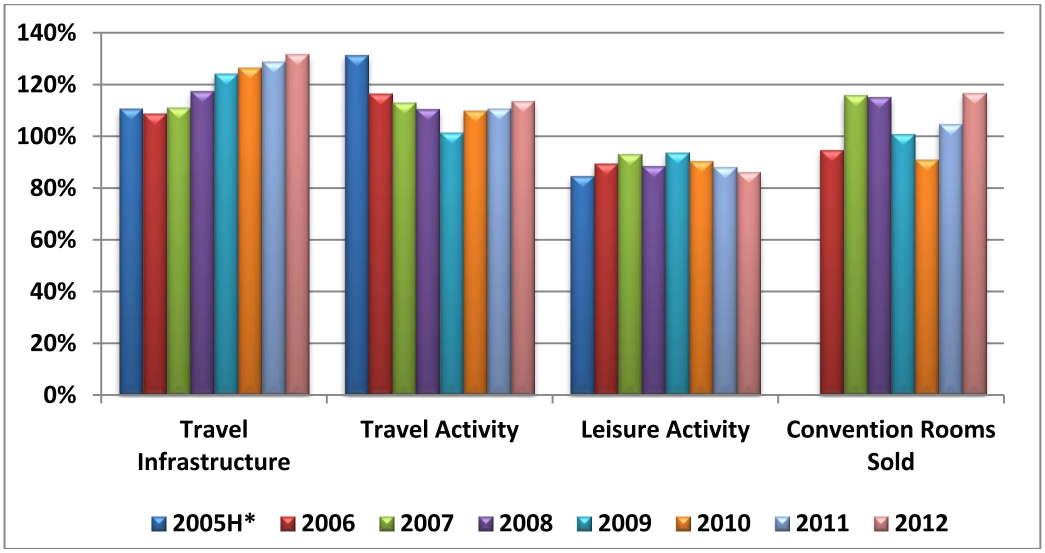
Figure 10 presents relevant indicators of tourism activity in comparison to activity levels prior Hurricanes Katrina and Rita. Overall and leisure jobs have remained virtually unchanged for the last 6 years. Airport passengers dropped during 2008 and 2009 during the recession. In 2012, the number of hotel rooms available for visitors (hotel room capacity) reached 126% of pre-storms estimates. In the same year, the number of hotel rooms sold grew to 121% compared to figures before the storm. Casinos, state parks and welcome centers visitation has not recovered at the same pace as other tourism indicators. Casino admissions and welcome centers visitation have been decreasing while state parks visitation has significantly recovered.

Figure 10: Rest of the State Travel Indicators Recovery (Percent Compared to Pre-Katrina/Rita Figures)*



**Not all state parks and welcome centers have remained open during the time of the study. New facilities have been open since Hurricanes Katrina/Rita*
***Includes data for 2005 second half only*
Source: See Appendix B

Figure 11: Rest of the State Travel Indicators Recovery by Segments (Percent Compared to Pre-Katrina/Rita Figures)



**Includes data for 2005 second half only*
Source: See Appendix B

In Figure 11, several tourism indicators, including those presented in Figure 10, have been grouped together to show overall trends.

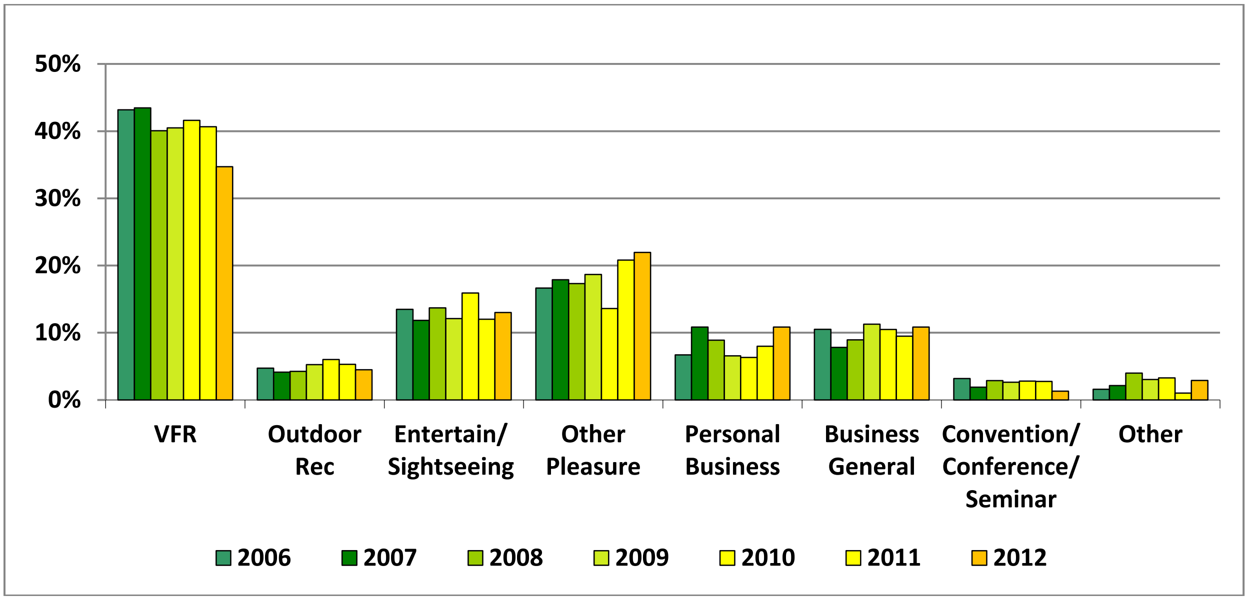
The *Travel Infrastructure,* represented by hotel room capacity and accommodation jobs, showed a dramatic increase in 2008, and has continued to grow ever since. All the areas, especially those around Lafayette, Baton Rouge, and Lake Charles, as well as the northern parts of the state, have opened new hotels or increased their hotel capacity over the last four years.

In the Rest of Louisiana, there was above-normal *Travel Activity* (measured by hotel and airport demand) and *Casino Activity* after Katrina/Rita. Much of this can be explained by business travel due to economic activity (film, oil and gas), recovery business, and some leisure and casino travel displaced from the damaged New Orleans and Mississippi areas.

As in New Orleans, the traditional leisure sight-seer has been absent in other Louisiana markets. The levels of this type of tourist can be represented by the *Leisure Activity,* which is the average of indicators measuring activities in welcome centers, state parks and state historic sites.

Another important segment in the tourism analysis is that of *Conventions Rooms Sold*. In areas in the Rest of the State, total convention bookings have remained strong. Some cities have managed to expand their market to smaller meetings that may not have previously considered these locations. This series is volatile but shows a general upward trend.

Figure 12: Rest of Louisiana Visitors - Primary Purpose

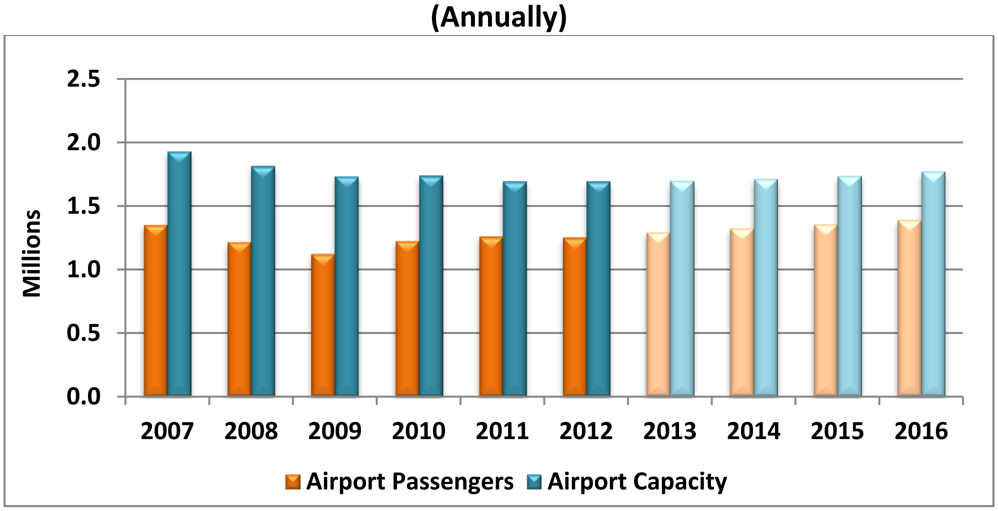


Source: TNS survey data files

Figure 12 shows the change in the primary purpose of visitors coming to the Rest of Louisiana. Although the TNS analysis is based on a small number of observations, it provides a good indication of why visitors are travelling to the area.

Figure 13 reflects the changes in airport capacity (measured by scheduled seats per year) for major airports in the Rest of Louisiana. Since the recession started, there has been a national trend towards capacity reduction in airports, particularly small regional airports. In 2012, the number of airport passengers remained virtually unchanged from last year. By 2016, enplanements are expected to reach nearly 1.4 million passengers.

Figure 13: Rest of the State Airport Activity (Annually)



Source: CRT, Official Airline Guide USA Today, and UNO Hospitality Research Center

Individual Areas

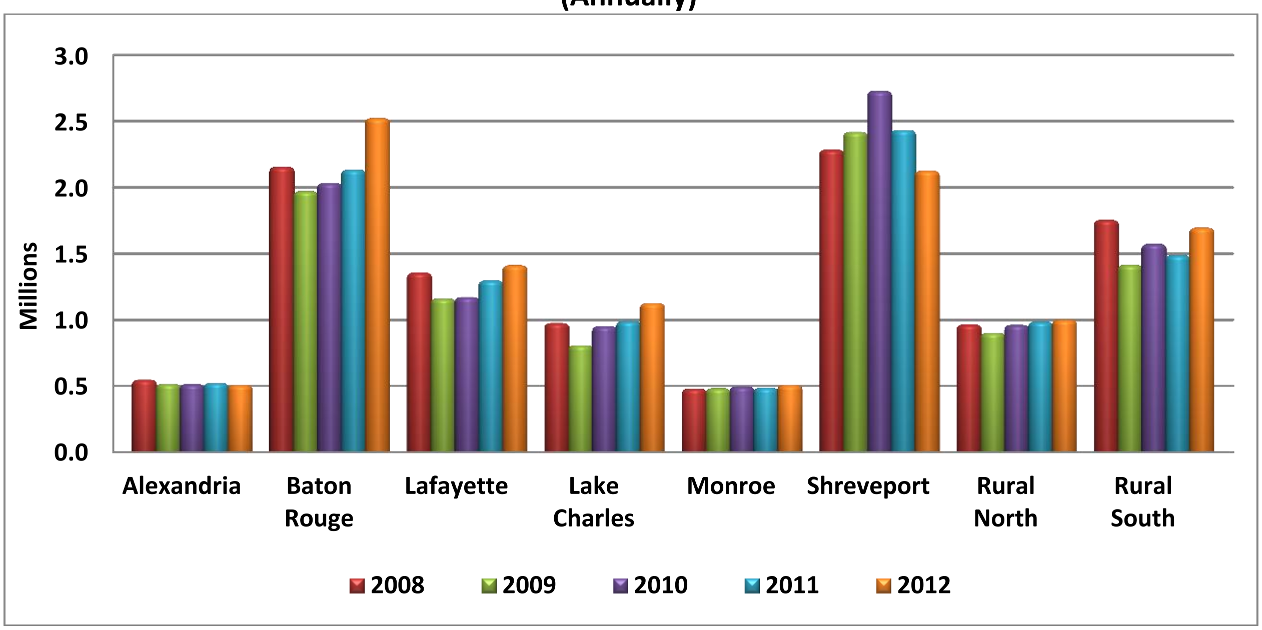
In this section, a review of each region in areas outside New Orleans is provided. Each indicator compares to seasonal activity before Katrina and Rita from late 2003 through mid-2005.

Overall, areas in the Rest of State have maintained the number of jobs added right after Hurricanes Katrina and Rita. Since then, employment in all metro areas has remained virtually unchanged due to recessionary effects. Despite some jobs losses in manufacturing and other recessionary effects, Louisiana is doing better economically than the rest of the nation. In February, Louisiana's unemployment rate of 5.8% was well under the nation's 7.7% rate.

All areas had better than normal hotel activity in January through April 2006, due to displacement of residents and a shortage of housing for hurricane-related workers. All areas have come down from that "bubble," but some have seen surprising robustness since that time. Although areas in the Rest of Louisiana compare favorably to New Orleans, the effects of the national recession and misperceptions caused by the BP oil spill are still affecting travel traffic to Louisiana.

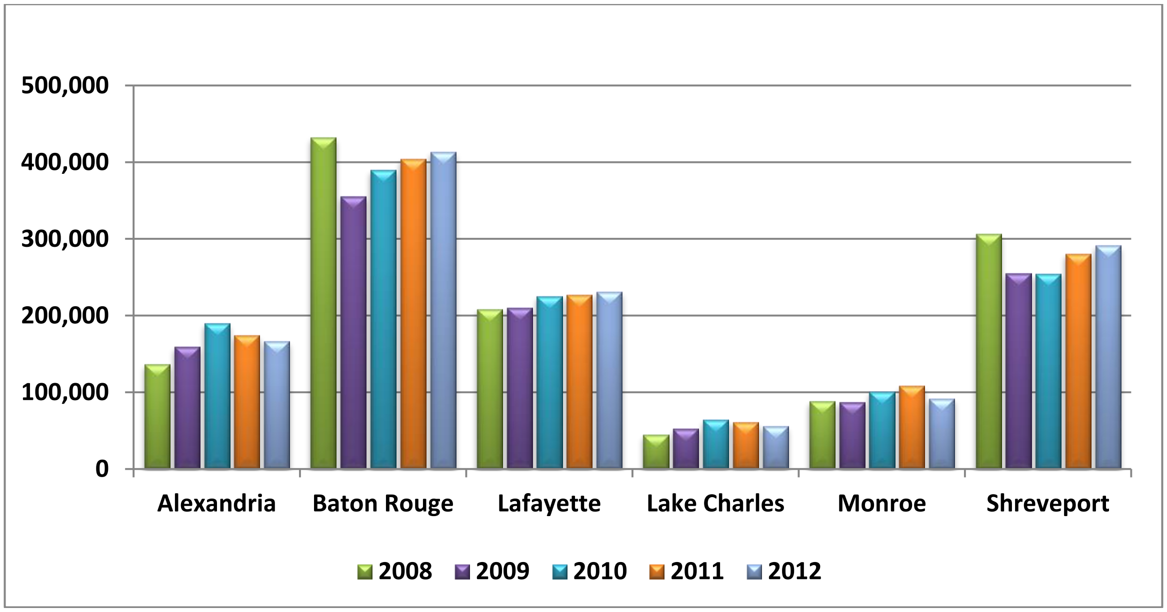
Figure 14 shows the relative size of different markets within the state as represented by hotel room sales (roomnights demand). Note there was a substantial boost in hotel sales due to Gustav/Ike in 2008. Baton Rouge and Lafayette tourist traffic historically correlates with New Orleans. As New Orleans improves, Baton Rouge and Lafayette should also see more rooms sold, especially to traditional leisure tourists.

Figure 14: Rest of the State Rooms Sold (Annually)



Source: Smith Travel Research

Figure 15: Rest of Louisiana Airport Passengers (Annually)



Source: CRT

Figure 15, shows an overall upward trend in airport passengers, as measured by enplanements, for regions outside the New Orleans area. In 2012, the travel industry recovered most of the enplanements it had during 2008. With capacity cuts and growing enplanements, flights from airports in the Rest of the State are exhibiting the national trend of flights operating at fuller capacity.

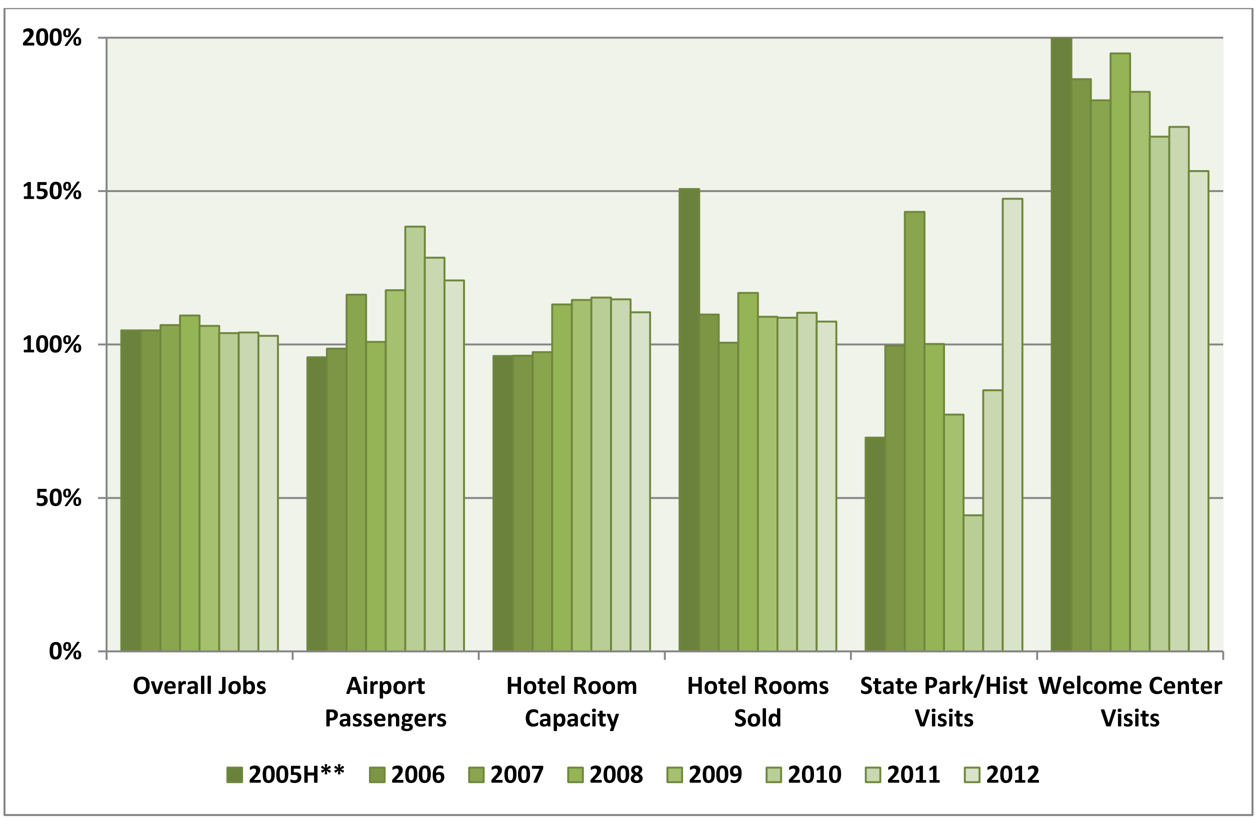
There has been a national downward trend in gambling activity due to recessionary factors. Until recent years, Lake Charles was the one exception, due to admissions and gambling dollars in L'Auberge du Lac casino. Starting in 2010, Lake Charles casino admissions started to follow the state's downward trend. The dollars taken in, however, have not been reduced to the same extent. That is, the amount of money spent per person in gambling (loss or "win") has made up for the drop in the number of admissions.

ALEXANDRIA

Employment in Alexandria has gradually decreased since the recession disrupted the area in late 2008. Airport passengers in the area have significantly recovered since the capacity cuts during 2008. Although hotel rooms sold in Alexandria decreased in 2012, they remained at higher levels than pre-Katrina/Rita estimates. The reduction in hotel room capacity during 2012 benefits the area as less hotel rooms remain vacant during the year.

Until 2010, the area had been losing state park visitation. With the addition of Fort Randolph and Buhlow State Historic Site to the analysis in late 2010, and Kent House Historic Site in 2012, visitation trends are expected to improve. Until 2009, welcome center visitation showed a rapid increase in auto traffic in the roads leading to Alexandria. Lately, the welcome center visitation has exhibited a downward trend following tendencies in other areas around the state.

Figure 16: Alexandria Travel Indicators Recovery
(Percent Compared to Pre-Katrina/Rita Figures)*



**Not all state parks and welcome centers have remained open during the time of the study. New facilities have been open since Hurricanes Katrina/Rita*
***Includes data for 2005 second half only*
Source: See Appendix B

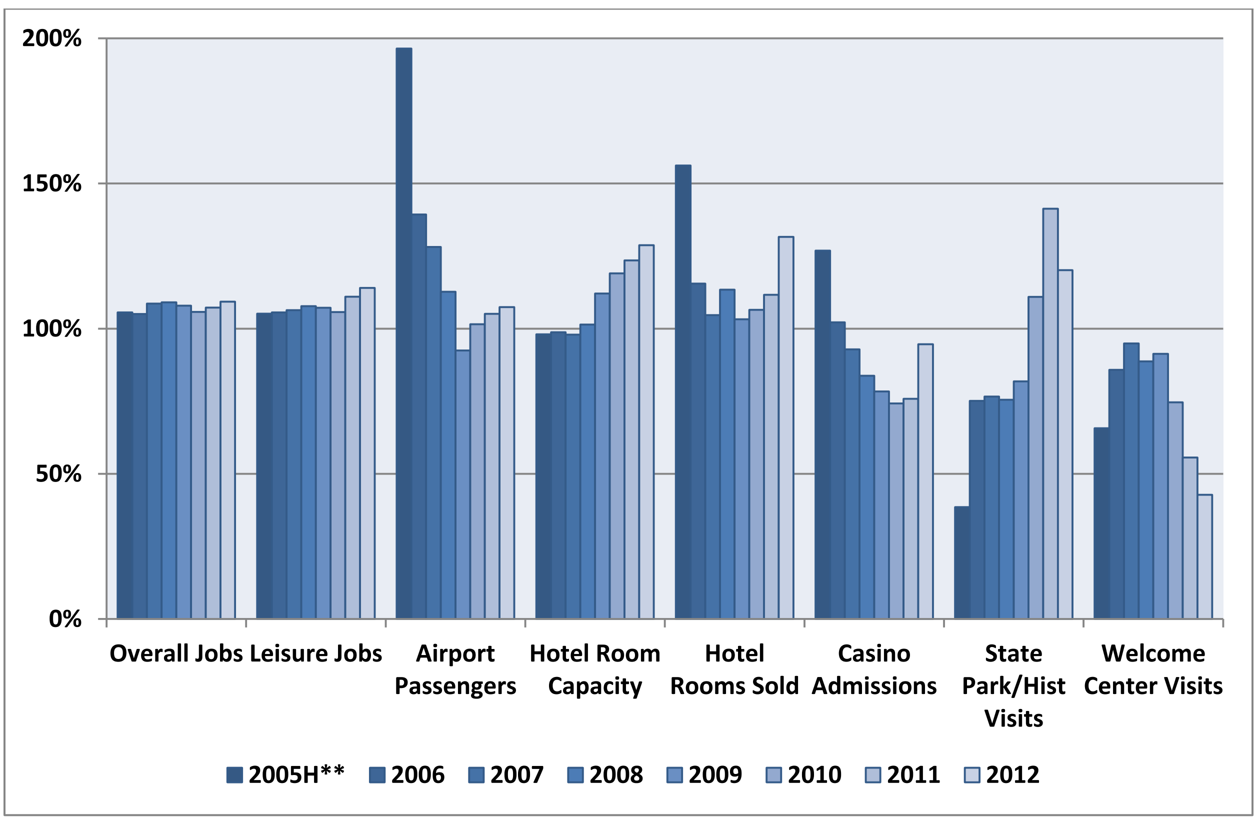
BATON ROUGE

The Baton Rouge economy has done well since Katrina/Rita. Overall employment and leisure employment have continued to recover from recessionary effects. The drop in airport passengers in 2008 and 2009 was caused by cuts in airline capacity by national airlines. During that time, 31% of seats scheduled were reduced in Baton Rouge. Since 2010, Baton Rouge airport passengers had been recovering, but they are still behind the levels seen in years prior to the recession (Figure 17).

Hotel activity has substantially grown over the past four years. Hotel room capacity reached 129% of pre-Katrina/Rita figures, while the number of hotel rooms sold increased to 132%. The casino activity created in early years by displacement from New Orleans has dropped. Throughout 2012, gambling activity recovered due to the opening of the L'Auberge casino in Baton Rouge.

The increase in state park visitation occurred as Bogue Chitto State Park was added to the analysis in late 2010. Despite the new addition, state park and welcome center visitation has been affected by the recession along with perceptions from the BP oil spill.

Figure 17: Baton Rouge Travel Indicators Recovery
(Percent Compared to Pre-Katrina/Rita Figures)*



**Not all state parks and welcome centers have remained open during the time of the study. New facilities have been open since Hurricanes Katrina/Rita*
***Includes data for 2005 second half only*
Source: See Appendix B

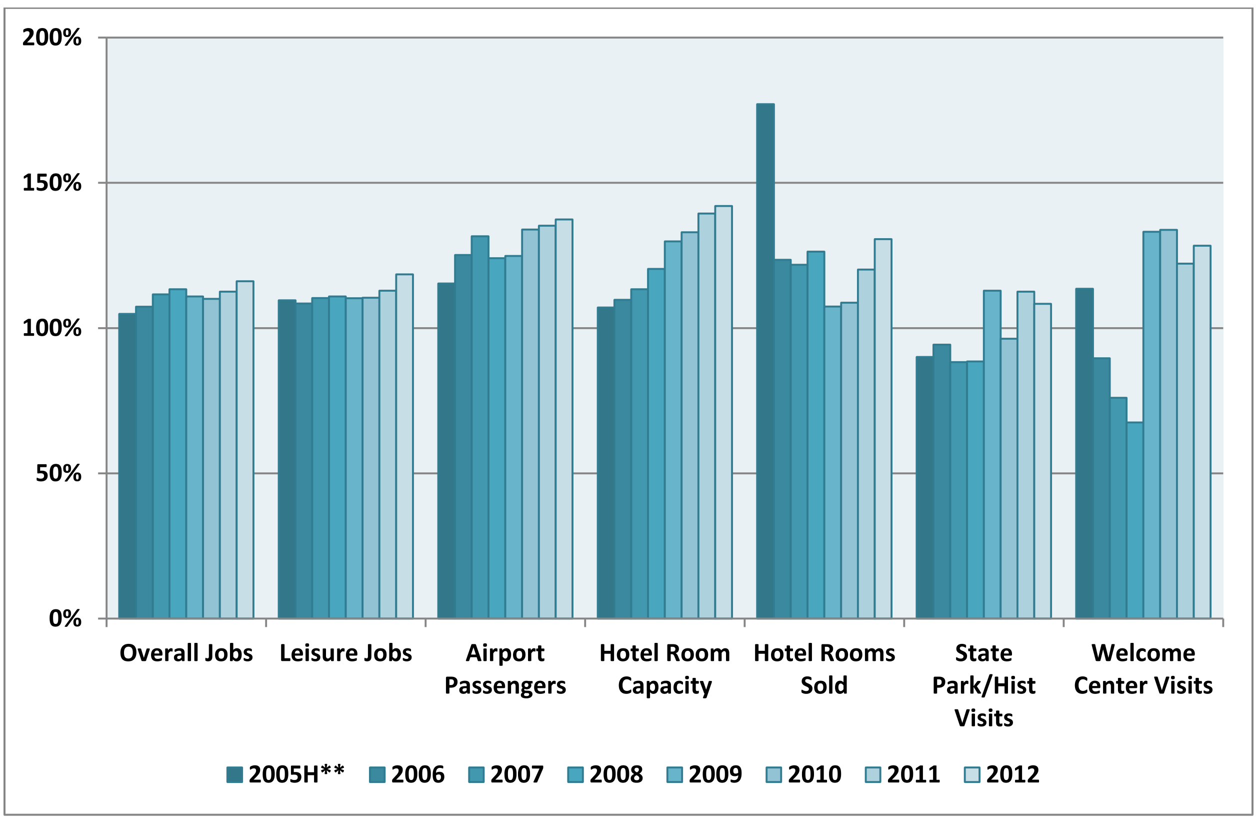
LAFAYETTE

Lafayette has retained the jobs gained during a post-Katrina/Rita economic boom, as illustrated by Figure 18. The area has maintained the highest levels of employment recovery compared to other areas in the Rest of the State. By 2012, overall jobs and leisure jobs reached nearly 120% of figures seen before the storms. An increase in the activity of oil industry is partly responsible for the growth in airport and hotel operations. The number of hotel rooms available and hotel rooms sold reached their highest point in 2012.

In late 2010, Palmetto Island state park was added to the analysis. Overall, the number of traditional visitors, as indicated by visits to state parks and welcome centers in the area, has shown improvement. The drop in visitation during 2008 was caused by Hurricane Gustav.

As New Orleans tourism volume improves, Lafayette should also see more traditional leisure tourists. Due to the interest in Acadian culture by international visitors, their return to New Orleans should contribute to Lafayette's tourism activity.

Figure 18: Lafayette Travel Indicators Recovery (Percent Compared to Pre-Katrina/Rita Figures)*



**Not all state parks and welcome centers have remained open during the time of the study. New facilities have been open since Hurricanes Katrina/Rita*
***Includes data for 2005 second half only*
Source: See Appendix B

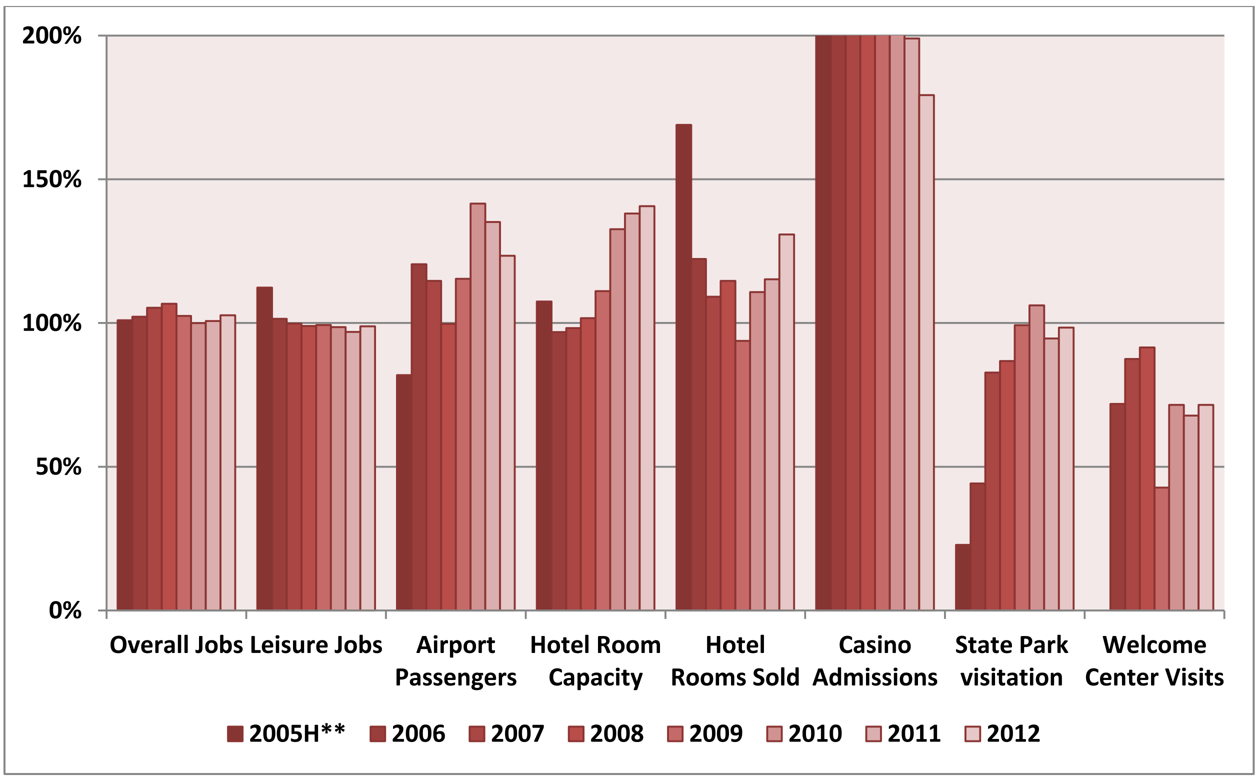
LAKE CHARLES

Lake Charles employment has remained relatively unchanged and below figures reached prior to the recession. Airport passengers and hotel capacity in the area have recovered significantly from recessionary effects. In 2012 airport passengers reached 123%, while hotel capacity grew to 141% of levels recorded before pre-Katrina/Rita. The increase in airport activity in late 2010 was caused by the BP oil spill. Hotel rooms sold, as measured by Smith Travel, do not include casino hotels; therefore, there is more hotel traffic in Lake Charles than shown in the graph. Hotels activity dropped due to Hurricanes Gustav and Ike in late 2008 and the recession in 2009.

Until 2009, the opening of L'Auberge du Lac casino had an enormous impact on casino admissions. While admissions are still above pre-Katrina/Rita levels, they have decreased, following the state's trend.

Lake Charles suffered damage in 2005 due to Hurricane Rita. While damage to park facilities can be seen in state park visitation numbers for 2005, it has slowly recovered over the last seven years. Welcome center visits have been decreasing over the years. The unexpected drop in 2009 was due to the temporary closure of Vinton welcome center.

Figure 19: Lake Charles Travel Indicators Recovery
(Percent Compared to Pre-Katrina/Rita Figures)*



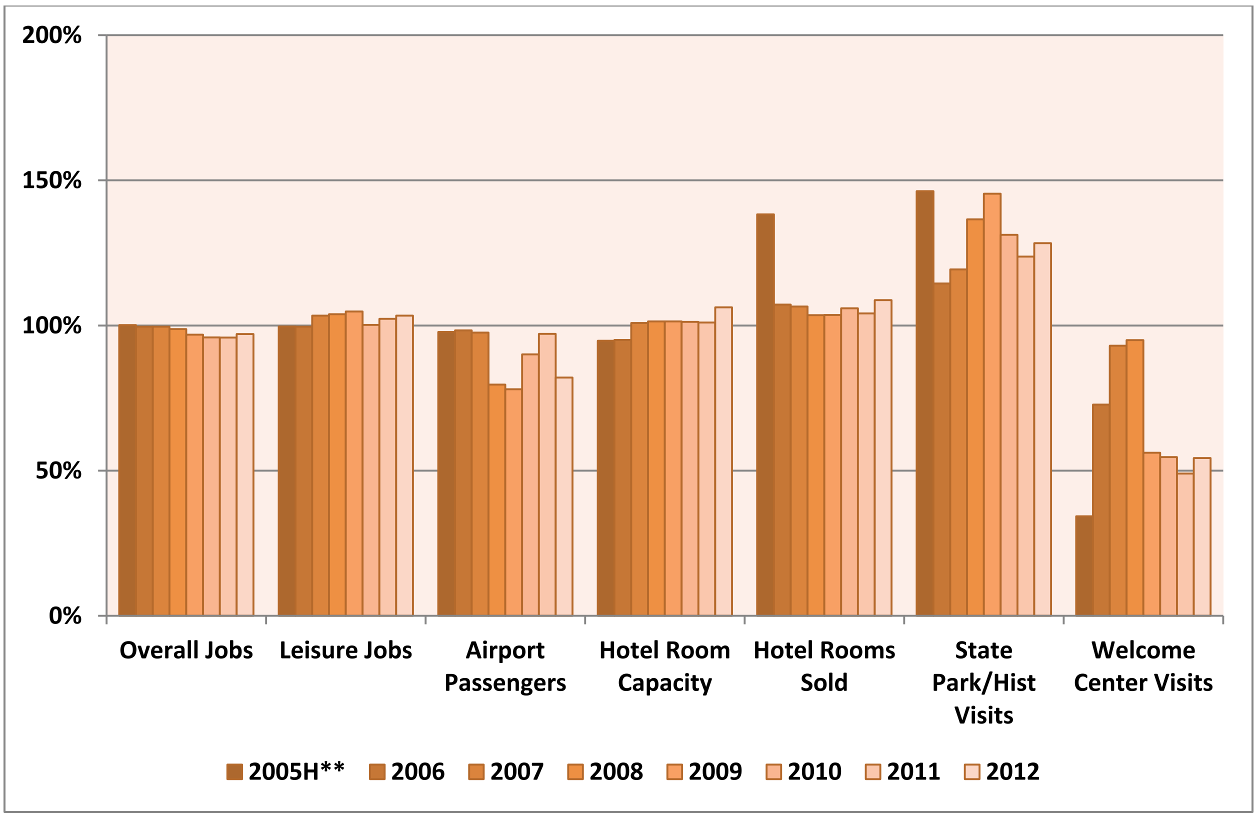
**Not all state parks and welcome centers have remained open during the time of the study. New facilities have been open since Hurricanes Katrina/Rita*
***Includes data for 2005 second half only*
Source: See Appendix B

MONROE

While Monroe has more overall jobs since the recession started, employment activity has remained virtually unchanged. Airport activity in the area has recovered since the lowest points during the recession. Hotel rooms sold and capacity remains above pre-Katrina/Rita levels. Over the last year, Monroe added new hotel capacity and successfully sold the new hotel rooms.

State park and historic visits in Monroe have remained strong over the years. In 2012, Caney Creek Lake state park was included into the analysis to better understand the impact on visitation. Welcome center visits in the area have decreased over the last four years, following the overall state trend.

Figure 20: Monroe Travel Indicators Recovery
(Percent Compared to Pre-Katrina/Rita Figures)*



**Not all state parks and welcome centers have remained open during the time of the study. New facilities have been open since Hurricanes Katrina/Rita*
***Includes data for 2005 second half only*
Source: See Appendix B

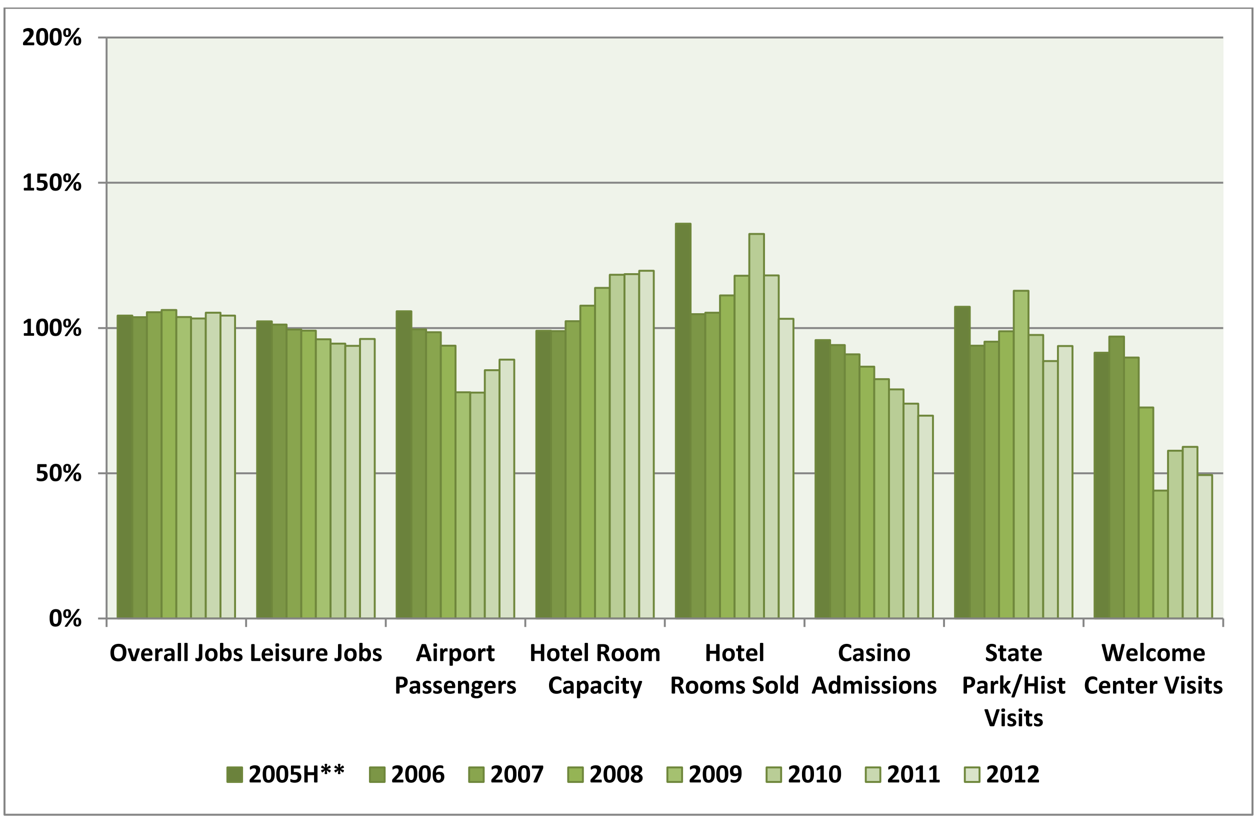
SHREVEPORT

The economy in Shreveport has been relatively stable. Overall jobs have remained unchanged despite the recessionary effects. When analyzed by segments, leisure jobs were affected by the recession, but have showed signs of recovery during the last period.

Hotels have been adding capacity at a slower pace, while rooms sold have come closer to levels before the storms. Activity at the airport has recovered since the recession but is still under its normal levels. Admissions to casinos, state parks, and welcome centers have declined. The big drop in welcome center visits in late 2008 and throughout 2009 occurred after the Greenwood center was temporarily closed.

With casino, state park and welcome center activity dropping continuously, the increase in hotel activity could be attributed to activity related to the film industry and nearby natural gas production.

Figure 21: Shreveport Travel Indicators Recovery (Percent Compared to Pre-Katrina/Rita Figures)*



**Not all state parks and welcome centers have remained open during the time of the study. New facilities have been open since Hurricanes Katrina/Rita*
***Includes data for 2005 second half only*
Source: See Appendix B

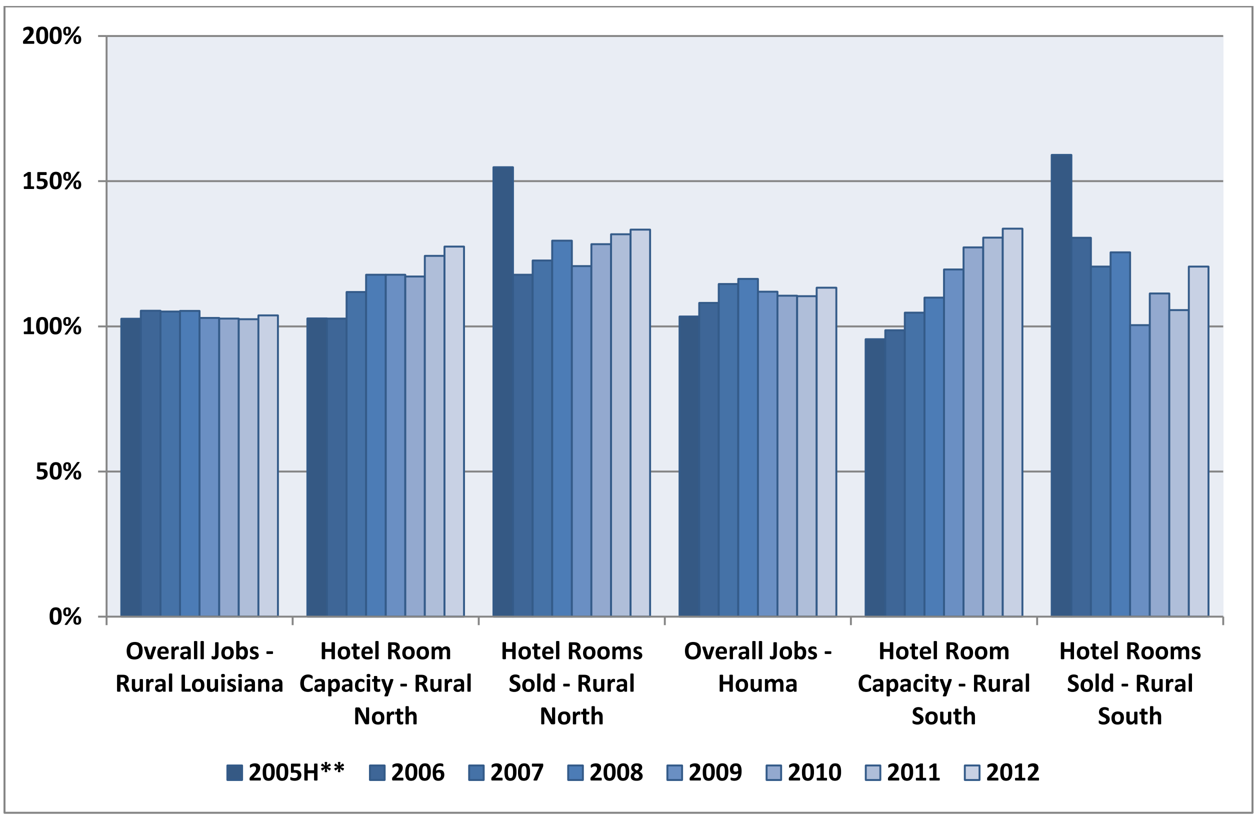
OTHER AREAS

Non-metropolitan areas show that hotel room activity and capacity are both substantially above 2003-2004 levels. Overall jobs have remained virtually unchanged over the last few periods.

Economic activity in Houma, aided by high oil prices, has probably spilled over to fuel some of the hotel activity in the area. Hotels around the area have added capacity to match local needs. Houma hotels would have supported efforts to repair damage from Hurricanes Rita and Katrina in 2005 and Gustav and Ike in 2008. During 2010, hotel activity was attributed mostly to the BP oil spill.

In the rural northern part of the state, new hotels have been built, and rooms are being filled. Activity related to the natural gas shale in northwestern Louisiana is contributing to strong hotel sales in the rural north. The rural northern part of the state continues to have hotel activity more than 20% above pre-Katrina/Rita levels.

Figure 22: Other Areas Travel Indicators Recovery (Percent Compared to Pre-Katrina/Rita Figures)*



**Not all state parks and welcome centers have remained open during the time of the study. New facilities have been open since Hurricanes Katrina/Rita*

***Includes data for 2005 second half only*

Source: See Appendix B

Appendix A

Forecast Accuracy

This section presents an evaluation of the accuracy of the estimates for hotel rooms sold, airport passengers, number of visitors and spending throughout the state for 10 years.

Hotel rooms, measured by roomnights demand (Table 12), and airport passengers, measured by enplanements (Table 13), are examined first because their values are reported by external sources and can easily be checked. Note that hotel rooms sold initially were reported excluding residents. At the request of the Louisiana Department of Culture, Recreation and Tourism (CRT), this value has been adjusted to be consistent with Smith Travel Research hotel room demand.

Methodologies for forecasting hotel rooms and air passengers have remained relatively unchanged since the start of this project. External factors, like the national recession or the BP oil spill, resulted in trend changes for future estimates. In 2007, in particular, hotel sales and airport traffic were better than expected. The trend continued into 2008. The increase in hotel rooms sold in 2008 could partially be attributed to Hurricanes Gustav and Ike. Since 2010, recovery happened faster than expected resulting in a forecast for future years being lifted slightly. Although many factors are involved and reality does not match estimates at perfection, predictions have been consistent over the years.

Table 12: Forecast Performance - Hotel Rooms Sold

Millions	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Mar 08	17.3	16.9	17.4	17.6	17.5	17.9	18.0				
Mar 09			18.3	17.5	17.2	18.0	18.1				
Mar 10			18.2	16.9	17.1	17.2	17.7	*18.0*			
Mar 11					18.6	17.9	18.3	*18.6*	*19.1*		
Mar 12					18.7	18.7	19.3	*19.6*	*19.8*	*20.1*	
Forecast Mar 13	**17.3**	**16.9**	**18.2**	**16.9**	**18.7**	**18.7**	**20.0**	***20.2***	***20.2***	***20.5***	***20.6***
Percent Change from 2012 forecast (%)							**3.7**	***3.3***	***2.2***	***1.7***	**--**

Table 13: Forecast Performance - Airport Passengers

Millions	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Mar 08	4.5	5.1	5.4	5.5	5.6	5.7	5.7				
Mar 09				5.1	5.2	5.3	5.5				
Mar 10				5.1	5.1	5.3	5.5	*5.7*			
Mar 11					5.3	5.3	5.5	*5.7*	*5.9*		
Mar 12						5.6	5.6	*5.7*	*5.7*	*5.9*	
Forecast Mar 13	**4.5**	**5.1**	**5.2**	**5.0**	**5.3**	**5.6**	**5.6**	***5.7***	***5.7***	***5.9***	***6.0***
Percent Change from 2012 forecast (%)							**-0.7**	***-0.5***	***-0.2***	***0.4***	**--**

Table 14: Forecast Performance - Number of Visitors

Millions	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Mar 08	18.2	23.8	24.4	24.8	25.0	25.3	25.5				
Mar 09			24.1	23.3	23.3	24.2	24.5				
Mar 10				24.0	24.2	24.7	25.3	*25.7*			
Mar 11					25.1	24.7	25.2	*26.0*	*26.5*		
Mar 12						25.5	26.1	*26.8*	*27.0*	*27.5*	
Forecast Mar 13	**18.2**	**23.8**	**24.4**	**24.0**	**25.1**	**25.5**	**26.3**	***26.8***	***27.2***	***27.6***	***28.0***
Percent Change from 2012 forecast (%)							**0.7**	***0.3***	***0.4***	***0.6***	**--**

Visitation is tougher to quantify (Table 14). It is an estimate which may evolve over time, but which cannot be checked directly against an external source – except other estimates. Data for the part of Louisiana is limited in scope. The TNS data set has a relatively small number of observations to cover such a large area. In 2007, the forecast methodology changed to include a better estimate of visitors who do not stay in hotels to be more consistent with other sources. In the 2009 and 2010, the recession and the BP oil spill were given a weightier effect on the forecast for future years. When compared to last year's estimates, the forecast figures have remained reliable.

Spending is the most difficult calculation (Table 15). It is dependent on accuracy in the number of visitors. Due to a small TNS sample size for visitor spending, the methodology has continually evolved over the years of this project. For instance, methods for estimating transportation spending for New Orleans visitors as they move through the Rest of the State have been estimated and then revised in later forecast cycles. In addition, spending per person, particularly in New Orleans, has been higher than expected. Sometimes the spending increase reflects prices going up as well as visitors choosing to spend more. In the most recent forecast, spending estimates were revised higher. The new estimates are comparable to those made in 2008, before the recession hit tourism in Louisiana.

Table 15: Forecast Performance - Visitor Spending

$Billions	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Mar 08	6.0	9.5	9.7	9.9	10.1	10.6	10.9				
Mar 09			9.4	8.8	8.9	9.5	9.8				
Mar 10				8.1	8.3	8.7	9.1	*9.5*			
Mar 11					9.6	9.4	9.9	*10.5*	*11.0*		
Mar 12					9.5	10.0	10.4	*10.9*	*11.1*	*11.5*	
Forecast Mar 13	**6.6**	**9.1**	**9.5**	**8.8**	**9.5**	**10.0**	**10.7**	***11.1***	***11.3***	***11.6***	***11.7***
Percent Change from 2012 forecast (%)							**2.5**	***1.6***	***1.9***	***0.4***	**--**

Appendix B

Sources:

Travel Indicators

Figure 23 and 24, show a list of tourism indicators by area used for analysis in this report. These figures were combined into groups for New Orleans and the Rest of the State to reflect Travel/Tourism Indicators recovery. All indicators are compared to the average of each indicator during the same month from August 2003 through July 2005. This period was used to define "normal" activity before Hurricanes Katrina and Rita.

Figure 23: New Orleans Tourism Indicators
(Percent Compared to Pre-Katrina/Rita Figures)

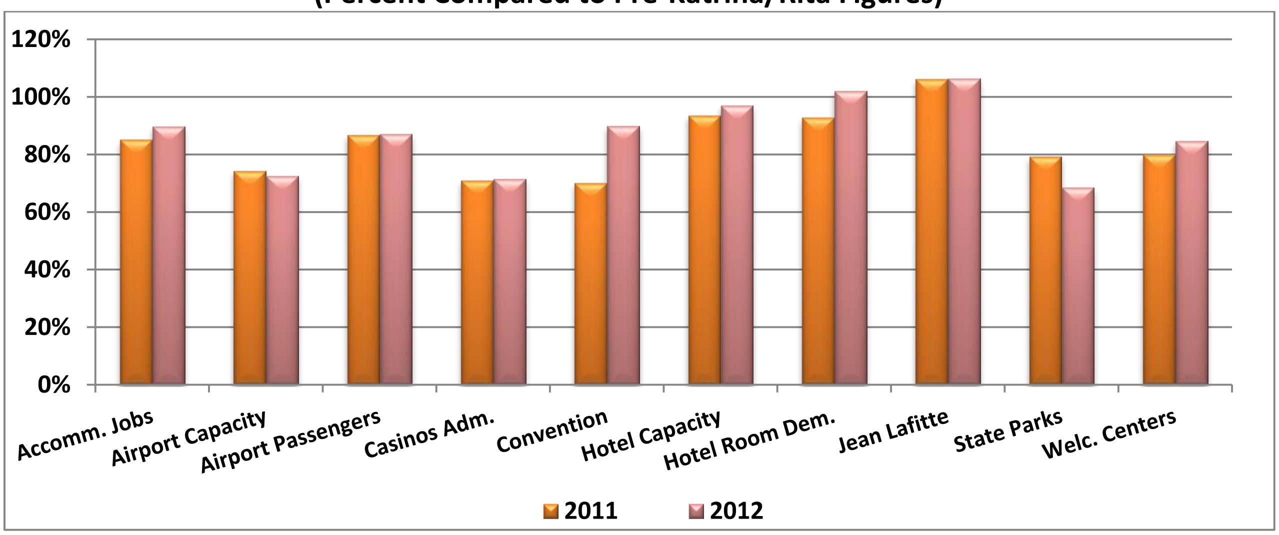
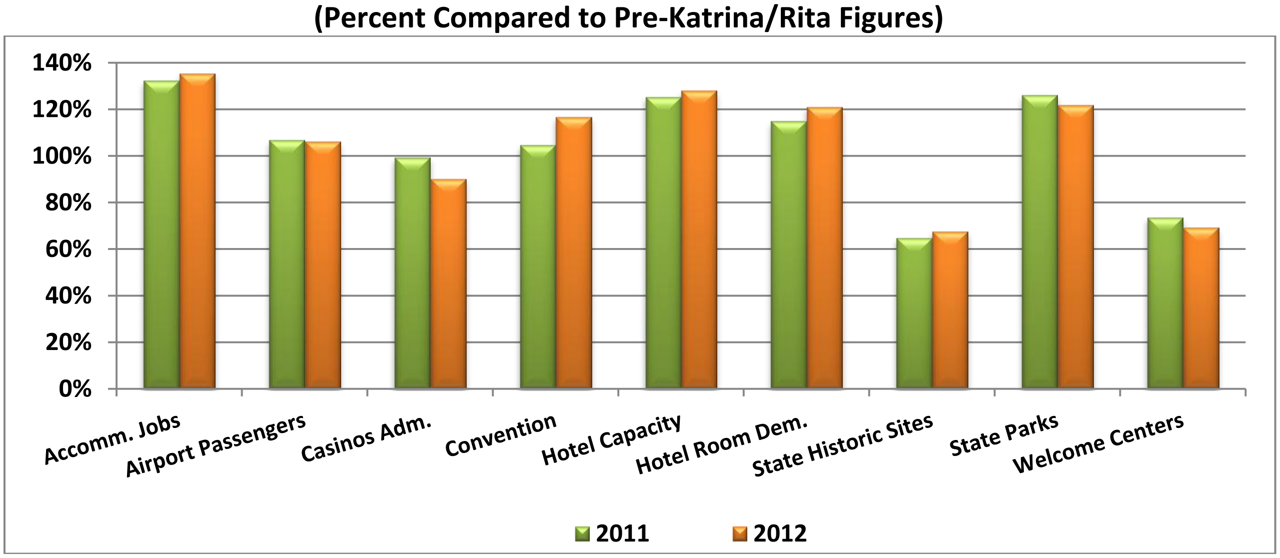


Figure 24: Rest of Louisiana Tourism Indicators
(Percent Compared to Pre-Katrina/Rita Figures)



All Sources

- Employment:
  - Tourism Employment: Louisiana Tourism Satellite Account (TSA)
  - Accommodation, Leisure and Overall Employment: United States Bureau of Labor Statistics (BLS)
- Airport Capacity:
  - New Orleans: Louis Armstrong Airport
  - Rest of Louisiana: Official Airline Guide as published by USA Today
  - Forecasts: UNO Hospitality Research Center
- Airport Passengers:
  - New Orleans: Louis Armstrong Airport
  - Rest of Louisiana: Louisiana Department of Culture, Recreation and Tourism (CRT)
  - Forecasts: UNO Hospitality Research Center
- Casino Admissions and Revenue:
  - Louisiana State Police
- Convention Rooms Sold (Roomnights Demand):
  - New Orleans Convention & Visitor Bureau, Baton Rouge Area Convention & Visitors Bureau, Lafayette Convention & Visitors Commission, Lake Charles Convention & Visitors Bureau, Shreveport Convention Center.
  - Forecasts: UNO Hospitality Research Center
- Hotel Room Capacity and Hotel Rooms Sold (Roomnights Demand):
  - Smith Travel Research, CRT
  - Forecasts: UNO Hospitality Research Center
- Visitation to State Historic Sites, State Parks and Welcome Centers
  - CRT
  - National Park Services
- International Visitors:
  - TIA (U.S. Travel Association) for visitation in 2003 through 2005
  - Hotelier Survey, UNO Hospitality Research Center
  - Tourism Satellite Account (TSA)
  - UNO Hospitality Research Center

Appendix C

Definitions of Key Terms

Visitors:

Tourist or Visitor: Any person who comes temporarily to a specific area in the state of Louisiana and who lives outside the travel destination. The term traveler is also used as synonym. [Using the word "tourist" may be confusing to people who do not understand that business travelers or meeting attendees are tourists as much as leisure travelers. This is why we prefer to use "visitor"].

Domestic Visitor: A resident of the U.S. who travels within the country and visits places outside his/her usual environment.

Foreign Visitor: A resident of a foreign country who travels to the U.S.

Overnight Visitor: Any visitor who spends at least one night in Louisiana.

Daytripper: Any visitor who does not stay overnight in Louisiana.

Short Term Visitor: Any visitor who stayed in Louisiana for less than 15 days

Long Term Visitor: Any visitor who stayed in Louisiana for 15 or more days

Association/Convention/Trade Show/Corporate Meeting Visitors: All visitors who indicate that their primary purpose of visit is to attend a gathering such as a convention, a trade-show, an exposition or corporate meeting.

Business Visitors: All visitors who indicate that their primary purpose of visit is to conduct business in the state of Louisiana.

Leisure Visitors: All visitors who indicate that their primary purpose of visit is to vacation, visit friends and relatives, attend a special event, a sporting event, to dine out, or to gamble. Visitors who pass through are also categorized as leisure visitors.

Analysis:

Pre-Katrina/Rita: Period from August 2003 through July 2005 defined as "normal" activity before the storms.

Roomnight Demand: Number of hotel rooms sold or rented per night.

Enplanements: Total number of passengers boarding an aircraft

Statistical Terms:

Median: The median is the number that lies at the midpoint of the distribution of responses ranked from low to high; it divides the distribution of scores into two equal halves. For example, if the scores are 2, 3, 5, 7 and 8, the median would be 5 (5 is the midpoint with two scores above and two scores below).

Mean: The arithmetic mean is the sum of all the scores divided by the number of scores. This mean is often called average.

The mean and the median are measures of central tendency. In other words, they indicate the most representative score in the group. The median is helpful when the mean does not make sense (e.g., “average party size” or “average number of kids per family” of 2.35), or when the mean is affected by extreme scores (i.e., outliers). For example, some very high spenders pull the mean expenditure up. In such a situation, it is preferable to report a measure that is more appropriate representation of the average, the median.